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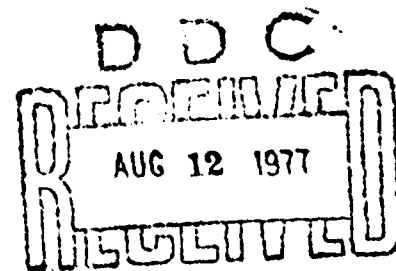


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THE ~~THIRD~~ QUADRENNIAL
REVIEW OF MILITARY
COMPENSATION

STAFF STUDIES
and selected supporting papers

Volume IX,
RESERVE COMPENSATION, SAMPLE
FOREIGN PAY SYSTEMS



December 1976

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Third Quadrennial Review of
Military Compensation

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PREFACE

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These volumes present the staff studies and supporting papers prepared for the Third Quadrennial Review of Military Compensation.

The Third Quadrennial Review of Military Compensation was conducted under the provision of section 1008(b), title 37, United States Code, which requires that the President not less than once each four years direct a complete review of the principles and concepts of the the compensation system for members of the uniformed services and submit a detailed report to the Congress.

These papers supplement the report to Congress, which is being issued separately. The professional staff, and its administrative support staff, worked with great dedication to provide useful material for the consideration of the QRMC. Their names, and the names of those for whom they worked are included in this report.

The First Quadrennial Review of Military Compensation in 1967 concentrated its attention on the elements of regular military compensation and retirement. Its touched only lightly military benefits and special and incentive pays. (incl AD's 860 739-40L)

The Second Quadrennial Review of Military Compensation in 1971 limited its study to submarine pay flight pay, reenlistment bonuses, pay for physicians and hostile fire pay. Its efforts resulted in a restructuring of three pays to meet the needs of the all volunteer force; flight pay, the selective reenlistment bonus, and the variable incentive pay for physicians. (incl AD's 892 404-8L)

The Third Quadrennial Review of Military Compensation was a more ambitious and comprehensive undertaking than any previous study of military compensation. It considered all elements of military personnel costs that might be argued to be military compensation, - some to separate items altogether. It undertook, for the first time, an attempt to value military benefits. However, given the relatively limited staff, the QRMC took several steps to limit the staff research effort required:

. The majority of minor military manpower cost elements were judged to be not compensation or small or no cost and were not studied.

. Minor compensation and reimbursement type cost elements were not studied in depth.

. Review of the individual elements in the system of special and incentive pays was assigned to the offices with primary interest.

The remaining elements of pay, allowances, and major compensation benefits were analyzed in-depth by the professional staff of the QRMCMC. These analyses are published in the Staff Research Papers volumes. They include supporting contractor-developed studies as well. A number of papers remain unfinished; when completed, they will be published in a final volume.

The views expressed in the staff papers are those of the professional staff and do not represent the position of the Quadrennial Review of Military Compensation or of the Department of Defense. Their publication in these volumes does not imply approval or endorsement by the Department of Defense or the President, whose views are stated in the final report.

All of the papers published by the Quadrennial Review of Military Compensation may be reproduced and disseminated without further authorization. Additional copies, beyond those initially distributed, may be purchased, by volume, from the Government Printing Office, Washington, D. C.

J. R. Talbot
Captain, USN
Staff Director
Third QRMCMC

WASHINGTON, D. C.
December, 1976

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**QUADRENNIAL REVIEW OF MILITARY COMPENSATION
WORKING GLOSSARY OF TERMS**

July 29, 1975

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- 15. Vesting**
- 16. Vested Liabilities (Public Law 93-406, Sept. 20, 1974)**

1. Allowance

An indirect or contingent remuneration which may or may not be earned, and which is sometimes in the nature of compensation and sometimes in the nature of reimbursement.

(Clifford Jones vs. The United States, 60 Ct Cls 552, April 13, 1925)

2. Asterisked Item

An entitlement, service, or advantage to a service member or dependent provided by the Government to recognize unusual working or living conditions peculiar to military service life. For pay comparison purposes, such an entitlement, service, or advantage may be classified as either a compensation item or a non-compensation item, but would not be called a pay or a fringe benefit.

3. Contributory Retirement System

A retirement system whereby a service member contributes periodically an amount of money, which is combined with a matching or other stated multiple amount contributed on the part of the Government, to finance member retirement.

4. Fringe Benefits

A financial advantage to a service member which is a compensation item and is provided as an addition to the military equivalent of civilian salary or wages and to special or premium pays. A specific fringe benefit is not necessarily received by or even available to all service members.

5. Government Incurred Costs

Government incurred costs result from exigencies of the operating requirements of military service which cannot reasonably be considered as payment for work performed.

6. Military Compensation Item

A military compensation item is one that:

- a. Costs the Government money, either directly or indirectly, now or in the future, and

b. Is of value to the recipient, exclusive of reimbursements and certain Government incurred line of duty costs, in one or more of the following ways:

- (1) It adds net cash to his current income,
- (2) It permits him to realize a current net cash saving,
- (3) It creates a present value to him based on the prospect of future receipt, and

c. Is considered compensation by other federal, or government agencies, and in the majority of instances in private industry, and

d. Is measurable.

7. Military Equivalent Salary

A combination or sum of those items of military compensation that are considered the equivalent of civilian salary.

8. Military Salary System

A system of compensation whereby the military equivalent salary is paid entirely in cash and is fully taxable.

9. Non-Compensation Benefit

- a. An advantage to a service member or dependent which, when available, is not an item of compensation, but is provided due to a moral or other obligation of the Government; or
- b. The favorable circumstance resulting from its exercise is either primarily or equally advantageous to the Government; or
- c. Is provided at little or no cost or inconvenience to the Government, but directly enhances morale and well-being of the recipient.

10. Pays and Allowances System

A compensation system comprised of various pays, allowances and benefits provided in cash or in-kind and based upon both remuneration for service performed as well as to fulfill certain and distinct purposes including Government obligation.

11. Regular Compensation or Regular Military Compensation (RMC)

" 'Regular compensation' or 'regular military compensation (RMC)' means the total of the following elements that a member of a uniformed service accrues or receives, directly or indirectly, in cash or in kind each payday: basic pay, basic allowance for quarters, basic allowance for subsistence, and federal tax advantage accruing to the aforementioned allowances because they are not subject to Federal income tax." (37 U.S.C. 101(25))

12. Salary

A fixed periodic sum of taxable cash normally paid in increments as the usual full monetary return for services performed without regard to marital status or family size.

13. Special Pays

Taxable cash pays that depend on special occupational qualifications or duty performance.

14. Total Military Compensation (TMC) or Military Compensation

- a. The sum of all items of compensation that members of the uniformed services accrue or receive, directly or indirectly, in cash or in kind.
- b. The composition of all items of military compensation without regard to the number or type of these items to which any particular member, officer or enlisted, may be entitled.
- c. The sum of military equivalent salary, fringe benefits, and special and premium pays for an individual service member.

15. Vesting

The attainment by a participant of a benefit right, attributable to employer contributions, that is not contingent upon a participant's contribution in specified employment.

(Bulletin of the Commission On Insurance Terminology of the American Risk and Insurance Association - Vol. 1, No. 4.)

16. Vested Liabilities (Public Law 93-406, Sept. 20, 1974)

The present value of the immediate or deferred benefits available at normal retirement age for participants and their beneficiaries which are non-forfeitable.

RESERVE FORCES COMPENSATION

A Staff Research Paper

Prepared For

The Third Quadrennial Review

Of Military Compensation.

29 July 1976

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RESERVE FORCES COMPENSATION

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I. PURPOSE.

The purpose of this paper is to analyze the compensation system of the Reserve Components.

II. INTRODUCTION.

Reserve Forces compensation is for the training of reservists. It is difficult to compare with compensation for either part-time or full-time civilian employment, or for active military career duty. Historically, reservists have been compensated in varying relationships to the compensation system of their active duty counterparts.

Organization.

The Reserve Forces comprise seven Reserve components specified in the Armed Forces Reserve Act of 1952, Section 202:

1. The National Guard of the United States (ARNG)
2. The Army Reserve (USAR)
3. The Naval Reserve (USNR)
4. The Marine Corps Reserve (USMCR)
5. The Air National Guard of the United States (ANG)
6. The Air Force Reserve (USAFR)
7. The Coast Guard Reserve (USCGR)

The Reserve Forces are designated to be in an inactive status so as to differentiate between them and their active career counterparts. There are three major categories of inactive status Reserve Forces: Ready Reserve, Standby Reserve and Retired Reserve. The three are detailed in TAB A.

The Ready Reserve comprises the Selected Reserve and the Individual Ready Reserve (IRR). The Standby Reserve has an Active subcategory and an Inactive subcategory. By law, all members of the Ready Reserve and the Standby Active Reserve, for example, can participate in drills or Unit Training Assemblies (UTAs) which form the main type of Inactive Duty Training (IDT).

Types of Reserve Duty.

The pay of Guard and Reserve members depends upon the type of duty performed. There are three types of duty: Inactive Duty Training (IDT), Active Duty Training (ADT), and Extended Active Duty (EAD).

1. Inactive Duty Training (IDT) is the primary vehicle for training reservists. Drills are the most common form of IDT. (The Navy uses the abbreviation "Inacdutra").

2. Active Duty Training (ADT, or Acdutra in Navy usage) is the vehicle for training of inactive status reservists through active duty. The training duty is for a specific and temporary period. It can run from one

day to more than a year, but is almost always for less than 180 days and normally for a 12 to 17-day period. For example, ADT for Selected Reservists is 14 to 15 days per year (plus two days' travel time), and for certain Individual Ready and Standby Active Reservists, it is 12 to 14 days as part of their Reserve obligation. In the Army and Air Force, ADT is defined as Annual Training (AT) and it differs in important respects from other ADT:

1. AT is written into the law as mandatory for Selected Reservists. ADT is elective or permissive by law.
2. AT is prescribed in the law to be 14 or 15 days in length (exclusive of travel time). ADT is an overall category.
3. Compensation for AT varies slightly from the general ADT entitlements.

The Navy also writes Special Acdutra orders for training duty beyond the common two weeks. It is a form of ADT. Another type of ADT is Initial Active Duty Training (IADT). IADT applies to reservists assigned to inactive duty Reserve units who train on active duty for a minimum of 90 days, after which time they return to their drilling billet. An example would be a reservist who enlists in a Reserve unit to fill a specific vacancy and who goes to school on IADT to learn his or her assignment. IADT differs from other ADT in that it is designed as a one-time training evolution.

3. Extended Active Duty (EAD) is considered to be career duty usually without a terminal (separation) date. In certain cases, such as "265" statutory tour officers (Title 10, U.S. Code, Section 256) an expiration date is specified in the EAD orders. These statutory tours are for reservists who are on active duty to deal as their active career function with the administration and training of their respective Reserve components. As a form of active career duty, it is EAD. As a rule, a reservist on EAD can only be released from active duty (RAD) by issuance of separate RAD orders.

Temporary Active Duty (TEMAC) is a specialized form of EAD. TEMAC is for a specified, limited period of time; it is not career duty. It is used, for example, to call up reservists for mobilization and for specific assignments and tasks of known length.

Certain reservists serve a first tour of obligated active duty which is not on ADT. These include graduates of the Officer Candidate School (OCS) program and the Contract (College) ROTC program. Their obligated active duty tours normally run three to four years but sometimes up to six years (for example, augmenting pilots). Functionally they are considered to be in the active career stream. Upon completion of their initial active duty obligation they revert to or opt for inactive status to complete their Reserve obligation. There is no convenient label for this category of active status reservist.

Status of Duty and Funding Sources.

The first two types of Reserve duty--IDT and ADT (including IADT and AT)--are for training. Compensation for this training duty is all from Reserve Pay appropriations.

The third type of Reserve duty, EAD (including the specialized form called TEMAC, and initial active duty obligation officers), is for performance of duty---for mission accomplishment---rather than for training. Compensation for this type of Reserve duty is from Military Pay appropriations.

III. LEGISLATIVE AUTHORITY FOR COMPENSATION OF RESERVE FORCES.

The legislative authority for compensation of the Guard and Reserve Forces is contained in Titles 10 32, 37 of the United States Code and in annual Military Authorization and Appropriation Acts by Congress.

As early as the French and Indian War (Seven Years' War), the then Colonel George Washington of the Virginia Regiment (Regular Forces) was concerned with the provisioning and general support of the colonial militias (Reserve Forces). By the time he became General of the Continental Army in the Revolutionary Period, George Washington wrote eloquently on the need both to pay and provision the militia.¹ Whenever feasible the militia were paid by district paymasters. In practice these payments were intermittent and irregular; often the militiamen went unpaid.

¹ The Writings of George Washington (from original manuscript sources), 1745-1799. U.S. Government Printing Office, Washington, D.C. (Printed March 1944).

On 2 May 1792, Congress passed the original Militia Act (1Stat. 264). Through this Militia Act of 1792, members of the National Militia on active duty received the same pay and allowances as their Reserve counterparts. The Militia Act of 1903 (Public Law 57-33) provided Federal funds for annual encampments of the militia, renamed the National Guard. This 1903 Act strengthened the principle regarding compensation of reservists on active duty by specifically relating entitlement to what is known today as Active Duty Training (ADT). There was no authorization or provision in law for compensating reservists when performing inactive duty training such as drills, weeknight target practice, or weekend exercises.

In 1916 Congress passed the National Defense Act--Public Law 64-85--a landmark in military legislation. The purpose of this law was to provide the nation with an efficient, well-organized National Guard, ready to meet worldwide defense needs. Among the many provisions of the National Defense Act, Congress authorized Federal drill pay for the performance of what is now called Inactive Duty Training (IDT).

The historical progression of legislation concerning Reserve Forces Compensation is detailed in Tabs B, C, and D.

IV. COMPENSATION FOR INACTIVE DUTY TRAINING (IDT).

A. Basic Pay

Selected Reservists qualify for Inactive Duty Training (IDT) pay and are paid at the rate of one day's basic pay (1/30th of one month's basic pay) for their grade and length of service for one drill (unit training assembly or UTA) actually attended. They are paid two days' basic pay for each multiple drill or multiple unit training assembly (MUTA).

All members of the Selected Reserve and some members of the Individual Ready Reserve (IRR) and the Standby Active Reserve participate in drills or UTAs (unit training assemblies). The latter (IRR and Standby Active), however, are not entitled to drill pay.

In FY 1975 about 95% of the Selected Reserve was in training/pay Category A which provided a minimum of 48 required drills or UTAs annually with pay. The other 5% of Selected Reservists was in other Categories requiring from 12 to 36 paid drills annually or was undergoing or awaiting initial active duty training (IADT).¹ In FY 1976 and 1977 the percentage of the Selected Reserve in Category A has dropped to around 90% as Reserve components other than the two Guard components shift some support (non-combat) units from Category A to Category B

¹ Replies of Assistant Service Secretaries (M&RA) to DASD (MPP) memorandum dated 5 December 1975. Subject: Data Requirements

(Training/pay categories for the Ready and Standby Reserve are detailed in Tab E).

By law, a drill (UTA) currently must be at least two hours, and may be as long as 24.¹ Almost all drills are set by DoD and Service Secretary directives at a minimum of four hours.

Two drills may be performed on the same day; this is called a Multiple Drill or Multiple Unit Training Assembly (MUTA). About 86% of paid drills is in MUTAs. (See Tab E.) All MUTAs by DoD policy must be at least eight hours' duration (two four-hour UTAs).² The maximum number of UTAs in one day is two.³ In practice the length of the MUTA ranges from the mandatory minimum eight hours to about 15 hours. (See Tab F).

In FY 1975 the expenditure for IDT was \$857 million. This represented 48.2% of Reserve Forces compensation. (See Tab G)

The DoD FY 1977 Reserve Budgets are outlined in Tab H by Reserve component. (Title III Reserve Retirement cost is not included in this tabulation.)

Some express the view that Reservists receive "two days' pay for one day's work". This is based on the fact that a day of active duty basic

¹ Public Law 460 of 25 March 1948, Section 3.

² DoD Directive 1215.8, "Multiple Reserve Training Periods" dated 2 May 1955.

³ DoD Directive 1215.6, "Uniform Training/Pay Categories Within the Reserve Components" dated 31 January 1974 with Change 1 dated 19 February 1975.

pay is paid for one Reserve drill period, and an eight-hour MUTA, the length of a "normal" work day, is thus paid at the rate of two days' basic pay. Active duty personnel are paid one day of basic pay for each day of service. This is viewed by active duty personnel as inequitable. Some argue that the active duty quarters and subsistence allowances are also pay for work performed, and that it is inequitable not to calculate drill pay on the basis of basic pay plus the allowances. There is a FY 1977 Program Budget Decision to reduce IDT pay for Additional Training Assemblies (over the normal 48) to one day's basic pay for each eight hours, and to study the question of whether all IDT pay should be on the basis of "one day's pay for one day's work". This is viewed among Reserve interest groups as inequitable on the grounds that many of the active force benefits are not available to inactive duty reservists. The length of an UTA has been doubled from two to four hours, and MUTAs have been created to increase training efficiency, without changing the pay rate of one day's basic pay for one UTA.

Some argue that active duty personnel are not paid for 360 (representing 365) days' service per year. They assert that military personnel should more realistically be viewed as being paid for five days per week less leave and holiday benefits, resulting in pay for only 18 eight-hour days per month. They argue that this is the proper basis for setting IDT pay for reservists.

Whatever the equity of the nominal basis of drill-pay setting, many argue that cutting IDT pay in half on the basis of these labels would destroy recruiting, retention, and motivation in the Reserve components. A more balanced nominal description of IDT pay requirements in this context would be that if one day's pay should be paid for one day's work, then some premium rate of pay for IDT may be necessary. There are no available studies of the elasticity of supply of reservists to determine what that level of pay ought to be. Because the length of a drill, except for the two-hour minimum in law, is discretionary, current levels of Reserve pay could be increased or decreased by manipulating the length of a drill within whatever limits training effectiveness is judged to require.

The First Quadrennial Review of Military Compensation recommended conversion to a salary system based on regular military compensation (RMC). Since basic pay for a four-hour drill was, on the average, 75% of Regular Military Compensation, it recommended that the basis of drill pay be changed from one day's basic pay to 75% of one day's salary. This maintained the drill pay at approximately existing levels. The Reserve Forces Policy Board, representing the view of the majority of Reserve interest groups, expressed strong opposition to any scheme which would pay less than "one day's pay for one day's work". That QRMC, unable to obtain general agreement, decided not to issue a report on Reserve drill pay.

The merits of these arguments regarding pay for IDT can be assessed in light of the basis for drill lengths and pay rates for them.

B. Drill Lengths and Basic Pay Rates.

The 1916 National Defense Act required participation in not less than 48 drills per year of at least 1 1/2 hours' duration and the performance of 15 days of active duty training per year. The rationale for the 1 1/2 hour drill-period was that this length of time would be sufficient for adequate training in the required military skills, and it could be performed after a normal day's work.

The justification for drill pay was to attract a higher caliber individual for an efficient militia, and to compensate the officers and men for the responsibility and time devoted to drill.

A top pay limit of \$500 per year was established for officers. Enlisted men were paid at the rate of 25% of the initial annual rate of pay of corresponding grades on active duty for 48 drills. At this rate the enlisted men received twice the basic pay per day of their counterparts on active duty: a private on active duty received 50¢ basic pay per day while the Reserve private received 94¢ per drill. It was the feeling of Congress that an efficient militia was a reasonable, economical alternative to a large standing army.

In the 1920 amendment to the National Defense Act, drill pay for both officers and enlisted men was set at the rate of 1/30th of the basic monthly pay of their counterparts in the Regular service, but with a limit of \$500 per year for officers. This 1920 amendment first established the rule that reservists should be paid one day's basic pay for one drill period.

In June 1922 the National Defense Act was again amended to exclude enlisted men of the sixth and seventh grades (E-2 and E-1 under the present grade structure) from the 1/30th provision and provided pay at a flat rate of \$1.15 for the private first class (E-2) and \$1.00 for the private (E-1). The Reserve private thus was paid \$1.00 per drill compared to his active duty counterpart who was paid 70¢ per day.

Thus, there were two exceptions to the rule of one day's basic pay for one drill period: enlisted personnel in paygrades E-1 and E-2 and those officers whose earnings were limited to the \$500 per year maximum. This drill pay formula applied until mid-1942.

The Pay Readjustment Act of 1942 (Public Law 77-607) restored the drill pay of E-1 and E-2 to the same basis: 1/30th of the monthly active duty basic pay. With the passage of Public Law 80-460 on 25 March 1948 (62 Stat. 87), the \$500 annual limit on officer drill pay was removed.

The cumulative effect of all these amendments to the National Defense Act was to provide one day's basic pay for one inactive duty drill period. Thus, as the basic pay scales of the active duty force have been adjusted to meet force management requirements, the training pay of the Reserve Forces has automatically changed through the pay linkage.

Public Law 80-460 of 1948 changed the minimum duration of a unit training assembly (UTA) from 1 1/2 to two hours for pay purposes. In 1930 the Navy originated the practice of conducting three UTAs for pay on one calendar day. DoD in 1955 directed that each UTA in a multiple drill (MUTA) be not less than four hours long, and in 1956 limited multiple UTAs to a maximum of two per day. There was considerable disagreement among the services on the need for this and on the legality of multiple payments and retirement point accumulations on one calendar day. The changes in drill length and creation of multiple drills, with the effect on current and deferred compensation rates, display the range of discretion potentially available to the DoD. The progression of actions¹ on these aspects of inactive Reserve compensation reflects the complexity of the issue:

1 Memorandum to DASD(RA) dated 2 April 1976 from Captain Edward Potts, USNR-R. "Brief Legislative History of Payment and Retirement Credit for Multiple Reserve Drills Performed on One Calendar Day".

On 13 May 1930, in response to a request by the Department of the Navy for authority to amend its regulations to allow aviation units of the Naval Reserve to be paid for as many as three (3) drills in one calendar day, the Comptroller General of the United States issued a decision approving this change but pointed out the necessity for complying with the statutory requirement of regular drills based upon the total number authorized during a fiscal year. (Comptroller General Decision A-31431, 13 May 1930).

In March 1949, during the hearings before the House of Representatives Subcommittee No. 2 on H. R. 2553 which became H. R. 5007, which in turn became the Career Compensation Act of 1949, the Chief of the Guard Bureau requested an amendment to section 501(a) to provide that "... shall not authorize for pay purposes (more than) one assembly or period of equivalent training instruction, duty or appropriate duties, in any one calendar day." The committee accepted the amendment over the objections of the Navy and the Air Force.

On 24 March 1949 the Subcommittee reconvened and the Honorable Carl Vinson requested reconsideration of the previously adopted multiple drill prohibition amendment and introduced a joint memorandum from the Navy and the Air Force urging the Committee to reconsider and vote against the amendment which would effectively eliminate multiple drills on any one calendar day. This was opposed, and continued support for the amendment was given, by the Army and the Guard.

The basic justifications for the multiple drill (sometimes referred to as consolidated drills), as put forward by the Navy and Air Force, were as follows:

- a. a full day of training (i. e. , 8 hours) makes the Air Force program more effective;
- b. unlike surface divisions in the Navy which usually drill at centrally located training centers in cities throughout the country, Air Reserve Centers, must, of necessity, be located outside the cities and they are relatively few in number. Therefore, a radius of 100 miles must be covered to procure needed unit personnel. This results in serious transportation problems for Air Reservists;
- c. a full day of training maximizes utilization of personnel and equipment as well as lessens transportation problems;
- d. at least 4 hours is required to accomplish unit flight training and most air ground training courses.

e. staff studies indicated that one 4 hour period was far superior to two 2 hour periods of instruction, and 8 hours was more than twice as effective as two 4 hour periods;

f. there is no increase in cost to the Government for drill pay under the consolidated (or multiple) drill system; and

g. the actual time the Reservist is engaged in training under the multiple drill system is twice as much as under the single drill per day system (i. e., 2 hours equal 1 drill as opposed to 4 hours equal 1 drill under the multiple system), thereby directly increasing his mobilization readiness.

Navy and Air Force Conclusion: Based upon the above, the consolidated (multiple) drills were vital to the continued success of the Air Reserve programs and to the National defense.

The main justifications given by the Army in favor of the Guard's request were as follows:

a. the Army interpretation of the law was that the Reservist could only get one day's pay for any drill period of 2 hours or more; therefore, multiple drill pay in one calendar day is legally objectionable;

b. the Comptroller General's opinion of 13 May 1930 was specifically ruling on the Navy Reserve Act;

c. a Reservist should not receive 2 day's pay for 1 day's training;

d. the multiple drill would result in 2 day's pay for 4 hour's work; and

e. National Guard batteries must meet 48 times a year and Reserve Officers must be assembled in units for long periods for effective training.

Army and Guard Conclusion: The best way to handle the very peculiar problem of the aviator who must do the bulk of his work in the daytime at an air installation would be to put in a special provision for as many days' flying as the Services can justify and not to interfere with the proposition of a day's pay for a day's work.

Committee Action: The Committee then moved to reconsider their previous action and voted down the amendment. The effect was to leave the law as it was and permit multiple drills in line with the Comptroller General's Decision of 13 May 1930.

On 13 May 1954 the Judge Advocate General of the Army held that it was legally objectionable to award more than one point for drills or equivalent periods of instruction held during a single calendar day for retirement purposes under Public Law 810; and, also that it was legally objectionable to count, for pay purposes, drills or equivalent periods of instruction in excess of one held on a single day. (See page 3 CG letter 3/21/58.)

22 January 1958 the Assistant Secretary of Defense (Comptroller) requested a decision from the Comptroller General of the United States (1) as to the legality of paying to members of the Reserve Components of one day's basic pay for each authorized drill or equivalent period of instruction performed in any one calendar day, and (2) whether such members are entitled under the provisions of Title III of Public Law 810, for retirement purposes, to credit of one point for each authorized drill or equivalent period of instruction performed during a single calendar day.

On 21 March 1958 the Comptroller General responded to DoD request referring to the 13 May 1930 decision. He stated that the law in 1958 was substantially the same, in this regard, as the law in 1930 (section 501 of the Career Compensation Act of 1949 and section 21 of the Act of 28 February 1925, 43 STAT. 1085-86).

He further pointed to the practice of crediting one point for each drill where multiple drills were authorized by the Secretary concerned and otherwise conformed to the requirement prescribed by law. Then he referred to the current policy of DoD (para. V., E. of DoD Directive 1215.6, March 5, 1956) approving multiple drills authorized by the Secretaries and setting a four hour minimum for each drill, if multiple, and a maximum of two such paid drills in any one calendar day.

Comptroller General's Conclusion: Found no legal objection to the current policy of the Department of Defense of paying to members of the Reserve Components no more than two paid drills, training assemblies, or periods of equivalent training or instruction conducted within one calendar day of at least eight hours duration providing that such will not exceed the prescribed maximum number which may be counted for pay purposes in each fiscal year. (See 36 Comp. Gen. 46; para. 39b(3), Army Regulations 140-305 dated December 18, 1956; and para. 10612, Air Force Manual 173-22, October 1, 1957.)

C. Subsistence and Quarters.

For IDT the basic allowances for quarters and subsistence are not authorized, but quarters and subsistence are provided when necessary and available. Enlisted personnel are entitled to subsistence in kind when the training period is eight hours or more in one day.¹

Officers are usually charged for subsistence. Enlisted reservists are generally provided one meal (usually the noon meal on multiple-drill days). These may consist of messing in government facilities or meals in commercial facilities using meal tickets. In FY 1975 mess hall and meal ticket usage for the various Reserve components totalled \$27 million. (See Tab I.)

Generally, quarters are provided only for members who reside outside the commuting distance of the training location. (Normally, commuting distance is 50 miles or one-hour's travel time.) During FY 1975 the services quartered Reserve and Guard personnel in government-owned quarters. The Air National Guard, the Air Force Reserve, and the Naval Reserve, moreover, provided commercial quarters. Additionally, some components supplied "field" quarters in connection with IDT. (See Tab I for detail.)

D. Benefits.

Reservists obtain retirement credit by earning retirement points. Conceptually a retirement point represents, or is the equivalent of, a

¹ Section 244, Public Law 460 of 25 March 1946 amending Section 501 of the Career Compensation Act of 1949

day of active duty: one point is earned for each active-duty day. By extension, a reservist earns retirement points for IDT: one point for each UTA (Individual Drill), points for periods of equivalent instruction,¹ two points for each MUTA (Multiple Drill), and an average of 12 to 30 points each for satisfactory completion of correspondence courses.

Reservists are entitled to Servicemen's Group Life Insurance (SGLI), limited medical benefits for the member himself, and limited exchange benefits. IDT does not accrue leave, dependent's medical, commissary, or veterans' benefits. The major compensation benefits of active duty members represent about 20% of the total active duty compensation (See Tab K). It is difficult to estimate the proportionate share of IDT compensation because the major benefit--Reserve Retirement--lacks at this stage detailed valuation and also varies considerably in importance among reservists.

E. Aviation Career Incentive Pay (ACIP).

Public Law 93-294 of 31 May 1974 instituted aviation career incentive pay (ACIP). ACIP succeeded the hazardous duty flight pay. The new flight pay is. . . . "not simply recompense for undertaking occasional hazardous duty but as an incentive pay for undertaking

¹ An approved period of equivalent instruction is an equivalent duty drill. This is a scheduled drill which does not fall within the official training program of the drilling unit. For example, public service and public relations work, such as addressing a group of prospective reservists at a university, could be treated as a period of equivalent instruction (i. e., equivalent duty).

a career that is, on a continuing basis, more hazardous than other service careers and at the same time involves a capacity to absorb special professional training which represents a considerable investment on the part of the Government.¹ The system was designed to meet the retention and motivation objectives of the active force. It was expected that to the degree there were aviator retention and motivation problems in the aviation community of the Reserve Forces, they would be met by a system designed to meet the requirements of active force management. In fact, it was made a matter of specific provision that reservists would be entitled to ACIP on equal footing with the active force: the major consideration being one of equity not force management.

ACIP inaugurated a "gate system" for entitlement to flight pay. It provides for continuous monthly payments to officers who meet prescribed flying pay minimums at phased points in their careers. These "gates" require performance of operational flying duties for six of the first 12, and 11 of the first 18, years of aviation service in order to be entitled to continuous ACIP through 25 years of officer service. Officers who perform operational flying duty for at least nine, but less than 11, of the first 16 years of aviation service, will be entitled to continuous monthly incentive pay for the first 22 years of officer service. ACIP and flying duty credit may not be authorized for any period during which an

¹ House Report No. 93-799, pp. 1 and 3, and Senate Report No. 93-841, pp. 3 and 5, to accompany H.R. 12670, 93rd Congress, 2nd Session.

officer is disqualified for aviation service since ACIP is paid for service in operational flying duty status.

Provided prescribed minimum annual flight requirements are met, Reserve pilots qualify as being on operational flying duty, and are paid ACIP at 1/30th of the monthly rate for each training drill (UTA).

Some reservists express dissatisfaction with the way the ACIP program operates in the Reserve Forces:

1. The contrast between the annual ACIP earned by Reserve pilots and the annual ACIP earned by the active duty pilots, created by the payment base of 1/30th of the monthly rate for each drill is too great. Reserve pilots must meet the same minimum combat proficiency requirement as their active duty counterparts. Therefore, total combat capability as measured by the minimum combat proficiency requirement would be a more equitable basis than assignment to operational flying duty for determining entitlement to ACIP.

2. The ACIP rate drops from the maximum level to a lower rate at the 18th year. This works against the normal Reserve career pattern. Reserve pilots are normally at the O-4 grade at the 18th year of aviation service. In contrast active duty pilots have usually reached the grade of O-5 at 16 year. Reservists should be able to draw the

highest rate of ACIP while they are in the grade of 0-5, just as their active counterparts do.¹

F. Hazardous Duty Pays.

Active duty personnel are paid hazardous duty pays as incentives to voluntary service in these hazardous duties:

<u>Type of Duty</u>	<u>Monthly Rate</u>	
	<u>Enlisted</u>	<u>Officer</u>
1. Parachute Jumping	\$55	\$110
2. Flight Pay (Noncrew Member)	55	110
3. Demolition	55	110
4. Flight Deck Duty	55	110
5. Experimental Stress	55	110
6. Leprosarium	55	110
7. Flight Pay (Crew Member)	50-105	NA
8. Submarine	50-105	100-245

Reservists on paid drills in training status for these hazardous duties are entitled to the hazardous duty pay at 1/30th the monthly rate for each drill.

Some reservists argue that because they jump as often, or nearly as often, as active duty members on parachute jumping duty that for reasons of equity jumping pay for IDT should be based on total jumps rather than on the basis of voluntary service in the hazardous duty.

¹ This issue is less frequently raised in the Naval Air Reserve. Normal or "due" course Naval Air Reservists currently reach 0-5 grade at the 16th year of commissioned service, the same flow pattern as that of active duty pilots.

No similar issue appears to exist with the other hazardous duty pays. However, of the remaining hazardous duty categories, only training in demolition duty and in aerial flight is currently performed on IDT, and of these only enlisted crew member flight training involves any substantial number of drilling reservists.

G. Special Reserve Component Pays.

Reservists on inactive duty are entitled to two special pays: Administrative Duty Pay and Officers' Uniform Maintenance Allowance.

Administrative Duty Pay

Officers of the Reserve components in a paid status who command a Guard or Reserve organization and faithfully perform administrative duties connected with command are entitled to additional compensation. The monthly amounts payable are:

<u>Number of UTAs</u>	<u>Unit Strength</u>		
	<u>100 or more</u>	<u>50 - 99</u>	<u>0 - 49</u>
48	\$20.00	\$ 15.00	\$ 10.00
24	10.00	7.50	5.00

Tab L details the incidence of these payments. In FY 1976 they totalled \$2.1 million.

In March 1976 DoD submitted a legislative proposal, DoD-112, to eliminate Administrative Duty Pay. If enacted, this proposal will result in saving of \$2.1 million for FY 1977.

Officers' Uniform Maintenance Allowance.

With certain restrictions, officers of Reserve components are entitled every four years to a \$50 reimbursement for purchase of required uniforms. To qualify for this allowance, the Reserve officer must have completed four years of Satisfactory Federal Service (credited each year with a minimum of 50 retirement points) in an active Reserve component. This four years of Satisfactory Federal Service (SFS) must include at least 28 days of active duty (AD) or active duty training (ADT). Periods of AD or ADT of 90 or more consecutive days are excluded from the computation of four years of SFS.

During FY 1975, the Reserve components expended \$1.1 million for this allowance plus \$438,000 for officer in-kind uniform replacement. Tab L details these data and also shows the average cost for in-kind replacement of enlisted member uniforms.

V. Active Duty Training (ADT).

Guardsmen and reservists in Category A (48 paid drills annually) through Category D (Mobilization Augmentees requiring active duty training only) are required to perform from 12 to 15 days of annual paid training per fiscal year (See Tab E).

Pays and Allowances.

Pay for ADT is on active military pay scales. This includes basic pay, subsistence allowances, subsistence in-kind, quarters

allowances or quarters in-kind, with the tax advantage that accrues from the tax-exempt nature of the allowances and their in-kind equivalents.

Reserve members with dependents are entitled to BAQ when quarters are not provided. When provided bachelor quarters, they are paid BAQ as well. Members without dependents are also entitled to BAQ when quarters are not provided. When provided bachelor quarters, they are not paid BAQ. Some in the Reserve community argue that this is inequitable treatment of the reservist without dependents since he or she undoubtedly maintains a civilian residence while occupying bachelor quarters on ADT. Reservists without dependents, they argue, should therefore be entitled to BAQ when provided quarters in-kind. Others argue that since reservists on ADT meet their normal housing needs out of their regular civilian salary or wage that the inequity arises in paying BAQ at the with-dependents rate for ADT. The resolution of the inequity is to pay BAQ at the without-dependents rate, or provide bachelor quarters, for ADT.

Reservists performing ADT generally do not earn special pays, for entitlements usually entail serving on active duty in an EAD status and/or for periods longer than the usual 12 to 15 day ADT tour. These special pays include: special pay for physicians, dentists, veterinarians, and optometrists; continuation pay for officers in critically short medical and dental specialties; sea duty pay; diving duty pay;

proficiency pay for shortage specialty; special duty assignment pay;
continuation pay for naval nuclear-training and qualified enlisted men;
hostile fire pay; and responsibility pay.

Benefits

Reservists on ADT are entitled to supplemental benefits
depending upon the minimum active duty requirement for the benefit.

Immediate entitlement:

- o retirement credit (one point for each day of ADT);
- o exchange (PX) benefit;
- o medical care for member;
- o holidays

Minimum active duty requirement:

- o 72 hours' ADT --- commissary benefit;
- o 30 days' ADT --- medical care for dependents; leave;
- o 181 days' continuous active duty --- veterans' benefits.

VI . Military Estate Program.

Retirement.

In 1948 Congress also enacted Public Law 80-810 authorizing a
Reserve (non-Regular) retirement system for members of the Reserve

Forces.¹ A reservist who completes a minimum of 20 years of satisfactory federal service becomes eligible for pro-rata retired pay at age 60. To receive a creditable retirement year under this system, a reservist is required to earn at least 50 retirement points during his or her anniversary year.² One retirement point is earned for each day of active duty. Points are awarded for membership in the Reserve (15 gratuitous points per year) and for duty performed. One point is earned for each UTA and one point for each day of active duty (AD) or active duty training (ADT). Retirement points are also earned for participation in approved periods of equivalent instruction and from satisfactory completion of accredited correspondence courses.³

Reservists can accumulate up to 60 retirement points per year from IDT. The points earned from AD and ADT--at the rate of one point for each day of duty--can be added to the points earned from IDT for a total of 365 or 366 points per year. The IRR and the Landby Active Reserve, while not eligible for drill pay, earn retirement points in the same manner as the members of the Selected Reserve including voluntary affiliation and participation with drilling units. There are currently about 70,000 reservists drawing Title III retired pay, of which about 80% is officers.

1 Title III is the section on Reserve Retirement. See Tab C-32. The first and second sections, labelled Title I and Title II, concern subjects unrelated to the Reserve Forces.

2 A retirement anniversary year starts on the last date on which the member attains active Reserve status but not prior to 1 July 1949.

3 These courses are expected to be completed within 12 to 18 months with the exception of the longer courses, which may take two years. From 12 to 30 points are awarded upon successful course completion.

Reserve retired pay is a direct product of the number of retirement points earned.

The retirement benefit is computed by totalling all points earned in all years, dividing by 360 (one year) and then multiplying by 2 1/2% to determine the benefit-rate. Thus a retirement point is equal to one day of active duty, no matter how earned, and it is possible to earn slightly more than one year of retirement credit in a year. The resulting multiplier is applied to the pay for the grade and longevity held at the time of request for retired pay, not at the time of entry into the retired reserve. The longevity is the number of years in military service, not the years of creditable service for retirement purposes. An example is the computation of a typical E-7 reservist's retirement benefit.

4 years' extended active duty (EAD) beginning at age 19	1461 pts
16 years' inactive duty @ 75 pts per year (15 ADT and 60 IDT) ¹	<u>1200 pts</u>
20 years for retirement purpose	2661 total
2661 pts ÷ 360 = 7.39 years' service	
7.39 years' service X 2.5% = 18.47%	

18.47% X highest monthly basic pay = monthly retirement benefit.

1 The breakdown of 60 points from IDT can vary widely:

Category A Selected Reservist:	
48 drills	48 points
gratuitous points up to IDT ceiling	<u>12 points</u>
IDT point ceiling	60 points
Category B Selected Reservist:	
24 drills	24 points
correspondence course	<u>24 points</u>
gratuitous points up to IDT ceiling	12 points
IDT point ceiling	60 points

With over 40 years of longevity, the E-7's monthly retired pay in this example would be:

Monthly Base Pay Rate (E-7 over 26)	\$1,053.90
Multiplier	<u>x .18475</u>
Monthly Retired Pay	\$ 194.71

The Reserve retirement benefit is deferred until the attainment of age 60. At that time the reservist, assuming that he or she has made a written request for retired pay, will receive several elements of compensation:

- retired pay
- commissary benefit
- exchange (PX) benefit
- medical care for the retiree and dependents
- survivor benefit plan option

If the retirement-eligible reservist dies before age 60, the member's survivors or estate do not receive any retirement or survivor benefits. To cover this interim period between entry into the Retired Reserve and the attainment of age 60, some reservists argue that earlier vesting of some sort should be incorporated into the Reserve retirement program.

Congressional testimony in 1948 in support of the Reserve Retirement legislation indicates the reason age 60 minimum was established. Congressman Van Zandt questioning Colonel Maas, President of the Federation of Reserve Officers Association---

Van Zandt: "Colonel, why is it that you establish the age 60 and the retirement of 20 years?"

Maas: "Well, that was put in by the services and I think I understand their reason. As some of you gentlemen know, I introduced similar legislation several times when I was a member of this body. I had no age restriction in it. However, I believe that there must be a minimum age limit and I do not disagree with 60. . . All we are seeking really to do is to partially compensate this individual in his later years for the great sacrifices he made during his earning capacity. I think 60 is a reasonable age. There are many who feel that it ought to be 55. If and when civil service is brought down to 55 on a straight 30 years, then I think this should be. In the meantime, I have no quarrel with the age 60 in it."

Since the passage of the Reserve Retirement legislation in 1948, there have been two major changes to the Civil Service retirement age and service criteria. Public Law 84-854 of 31 July 1956 allowed

retirement at age 55 and 30 years' service at an actuarially reduced amount from age 60. Public Law 89-504 of 18 July 1966 provided for full retirement at age 55 and 30 years' service.

In February 1975 DoD submitted a proposed Reserve Retirement Modernization Act (DoD No. 94-7) to the Office of Management and Budget (OMB). To date DoD No. 94-7 is still with the OMB. This proposal would provide a reduced retired pay option as early as age 50 and lump sum payment to dependents of a member who is otherwise qualified for retired pay but dies before reaching age 60.

Some argue that earlier retirement would be an effective device for retaining younger Reserve officers. The appeal of earlier retirement to enlisted reservists as a retention device, however, is not evident from available data.

On 21 February 1975 the DoD submitted a legislative proposal to remove the limitation on retirement points for IDT. This proposal (DoD 94-13) would:

- a. Authorize 63 points maximum based on 48 Category A drill training requirement, plus 15 gratuitous (membership) points;
- b. Remove the limit on required drills or equivalent instruction beyond 48;
- c. Require 35 points per year before being awarded 15 gratuitous points. DoD 94-13 is still with the OMB.

Individual Retirement Accounts.

As potential participants in the Reserve retirement program, inactive duty reservists were not previously allowed to establish Individual Retirement Accounts (IRA) under the Employees Retirement Income Security Act of 1974 (ERISA). Senator Thurmond and Congressman Jones introduced bills to allow reservists to establish IRAs which were incorporated into the provisions of the 1976 Tax Reform Legislation.

Now participation in the military retirement program through part-time reserve or guard affiliation will not bar one from establishing an IRA if otherwise eligible. Exception: If you served on extended active duty for more than 90 days during the year (not counting days of active duty for training), you are not eligible. This change was made effective Jan 1, 1976. Reservists can deposit up to \$1,500 in an IRA by Dec 31 and deduct the full amount from income. However, they may calculate the 15 percent allowable IRA contribution only on your wages from private employment; you may not include any of your military income.

Contributory System.

Like the active force, inactive reservists make no explicit contribution toward the retirement benefit. If a contributory retirement system is adopted for the active force, a decision regarding the non-contributory nature of the Reserve retirement benefit should be taken.

Survivor Benefit Plan.

Members of the Retired Reserve who are entitled to receive retired pay and have attained age 60 are eligible to participate in the Survivor Benefit Plan. Each member must decide whether or not to participate.

Under the plan, a member designates a "base amount" of retired pay that eligible survivors will continue to receive after his or her death.

The benefit paid to the survivor is 55% of the base amount.

The cost to the member of providing a survivor benefit to the spouse is 2 1/2% of the first \$300 of the base amount plus 10% of the remainder of the base amount.

Servicemen's Group Life Insurance (SGLI).

Two types of reservists qualify for Servicemen's Group Life Insurance (SGLI) as authorized in the SGLI Act of 21 May 1974 (88 Stat 165):

1. Drilling reservists who are assigned to a unit or position in which they may be required to perform active duty, and each year will be scheduled for at least 12 periods of IDT.

2. Members of the Retired Reserve who are eligible to receive retired pay upon attainment of age 60, and who have received their letter of Notification of Eligibility for Retired Pay at age 60.

The maximum coverage was increased from \$15,000 to \$20,000 and was put on a 24-hour basis; coverage during drilling periods (i. e., part-time coverage) was expanded so that the drilling reservist is covered at all times. Coverage for eligible Retired Reservists is available until the receipt of the first retirement check or until age 61. The disability extension period for part-time Reserve coverage (i. e., coverage during drilling periods) was lengthened from 90 to 120 days.

Part-time SGLI is available only in the amount of \$20,000 and the premium rate is \$2 a year. Full-time SGLI is presently available, in \$5,000 units, up to \$20,000. The premium rate for drilling reservists is 85 cents monthly for each \$5,000 unit. The premium rate for Retired Reservists is \$1.50 monthly per \$5,000 unit through age 39, \$2 per unit from age 40 through 49, and \$2.50 per unit from age 50 through 60. Retired Reserve SGLI is unique in that coverage is not "automatic"; to obtain coverage, a retired reservist normally must apply and pay an initial premium within 120 days after becoming qualified.

The Prudential Insurance Company is the primary SGLI insurer under a contract with the Veterans' Administration, the supervisory Federal agency. Several hundred other private insurance companies participate in the program. SGLI premiums are collected by the services from their members, normally by payroll deductions, and are remitted monthly to the VA. Any extra hazard costs of SGLI attributable to military service are determined by the VA on an actuarial basis and paid to that agency by each of the services from appropriated funds.

Death Gratuity.

Reservists who die as a result of disease or injury incurred while on IDT or ADT are entitled to the same death gratuity benefits (by grade and years' service) as an active duty member.

VII. SPECIAL CONDITIONS OF RESERVE SERVICE

There are some conditions of Reserve service that are not generally associated with normal civilian employment. The Reserve community sometimes characterizes these conditions as the "Reserve X Factor":

Recall Hardship

The Ready Reserve is organized and formed for the specific purpose of recall within the Total Forces Policy. Recall can nevertheless work financial hardship on the reservist. The military pays and allowances may be significantly less than the civilian wage or salary. A leave of absence from a civilian career sometimes has the effect of placing a moratorium on the generally anticipated sequence of salary increases. It may even result in an inadvertent delay in reasonably expected promotions. Personal and family disruptions result from the often short notice and generally indeterminant length of recalls.

Public Law 94-286, signed into law on 14 May 1976, empowers the President to authorize the involuntary order to active duty of up to 50,000 Selected Reservists for a period up to 90 days. Under this law reservists could be used only for operational missions and not for domestic disturbances.¹

¹ The President is required to report the call-up to Congress within 24 hours and to explain his reason; his action could be reversed by a concurrent resolution of the Congress.

Although 50,000 comprise only 6% of all Selected Reservists, the President may use this call-up authority repeatedly. During World War II and since that time, reservists have been recalled to active duty in national emergencies five times. Recalls in addition to World War II include the Korean conflict, 1951; Berlin Crisis, 1961; Cuban Crisis, 1962; and the Vietnam conflict, 1968. (See Tab M for numbers and duration of call-up.) During a call-up, the reservists are subjected to the same combat as regular members. They receive the same regular military compensation (RMC) as regulars as long as they are on active duty.

ADT Hardship

The reservist sometimes encounters financial hardship when performing annual ADT. A recent survey, reported in Tab N, indicates that 34.6% of Plants, 20.6% of Offices, 21.4% of Banks and 50% of Hospitals pay only regular vacation pay; when a reservist takes ADT, that time is unpaid. In these cases the reservist on ADT may receive less in combined civilian and military compensation than his or her normal civilian salary or wage. Most civilian employers make up the difference between Reserve pay and their employees' regular pay. The Federal Civil Service pay both regular pay and Reserve pay for up to 15 days' additional leave for annual training duty. Tab N shows data on the range of employer practice. The significance of the ADT hardship can be assessed by describing these practices:

--Some reservists must take civilian leave without pay; they are making a real sacrifice, or may be making one if the military pay is lower than their civilian pay.

--Some may choose to use their annual paid vacation; they are making a choice on how to spend their vacation.

--Some are granted a training leave in addition to paid vacation, and receive the difference between military and civilian pay. They are able to take ADT at no financial hardship. The employer may be viewed as fully supporting the nation's Reserve program.

--Some are granted fully-paid Reserve leave and also receive military pay. They fare better financially from ADT. The employer may be considered generous and going "beyond the call of duty".

Occasionally there is a conflict between the ADT schedule and the civilian vacation schedule. This can make it difficult for the reservist to take time off from civilian work for ADT.

Monetary Constraint.

Reservists incur certain costs when participating in the Reserve training program for which there is no reimbursement. Some reservists state that the cost of travelling to and from IDT drills constitutes a monetary constraint, particularly for Individual Ready Reservists and Standby Active Reservists who drill on a non-paid basis. Those in paid drilling billets tend more readily to accept costs attendant on drill participation, as with any organizational participation.

Non-Monetary Constraint.

Reserve service can impose constraints on civilian life-styles. One example is grooming standards: some reservists contend that the Reserve Forces place constraints on civilian grooming standards. The significance of this kind of constraint cannot be assessed.

Probably the most common non-monetary constraint is the time commitment. Reserve duty consumes time which could be spent with family or in relaxation from civilian work. Time is spent on IDT and ADT and for travelling to and from training sites. Some reservists travel in excess of 200 miles from their homes to their Reserve or Guard training centers to participate in the program.

Positive Aspects.

There are positive aspects to membership in the Reserve Components. It provides additional income. The June 1969 study of career motivation in the Ready Reserve showed that drill pay constitutes between 10% and 15% of an officer's total annual before-tax income and between 5% and 6% for an average enlisted reservist serving his initial obligation, not counting in-kind compensation. (See Tab O). It provides retirement benefits, fringe benefits, the psychic income of a vehicle for service to country, group identity, personal friendships, training, travel, and achievement associated with military service.

Supportive Measures.

Within the private sector there is a wide variety of opinion concerning the military value of the Reserve Forces and the treatment which the Guard and Reserve should be accorded by the public in general and by civilian employers in particular. Some in the Reserve community feel that their employers do not adequately appreciate the full worth of the Reserve Forces.

Consequently, the President established the National Committee for Employer Support of the Guard and Reserve in 1972. It is presently headed by Mr. J. M. Roche, former Chairman of the Board of General Motors Corporation. Currently 318,627 employers from the private sector, representing approximately 60% of the private labor force, have signed statements in support of the Guard and Reserve Forces.

Also relevant to the Reserve interest is the Soldiers and Sailors Civil Relief Act, which was passed to protect servicemen from legal action without their proper representation---to protect the servicemen's rights while absent from civilian life. It assured that no detrimental or adverse action could be taken against a serviceman without being notified and able to take remedial action. The Act also guarantees recalled reservists reemployment rights upon release from active duty.

VIII. RESERVE RECRUITMENT.

The Annual Report of the Reserve Forces Policy Board for fiscal year 1975¹ states:

"... Reserve Component chiefs have stated that the level of recruiting of non-prior service personnel was lower than desirable during fiscal year 1975...

Failure to recruit sufficient non-prior service personnel over a period of years could result in an aging of the force and grade averages. Recruiting statistics of fiscal years 1974 and 1975 in the Reserve Forces program cause concern to the Reserve Forces Policy Board. The Board believes that additional incentives may be necessary in the future if non-prior service personnel are to be attracted in the required numbers."

The Ten-Year Summary of Actual Enlistments in the Selected Reserve from FY 1966 to FY 1975 (Tab P) showed a downward trend in non-prior service (NPS) enlistments. All Reserve components, however, achieved increases in NPS enlistments in FY 1975 over FY 1974.

The percentage of NPS male accessions in mental categories III and IV more than doubled in five years: from 37% in FY 1976 to 75% in

¹ Reserve Forces Policy Board, Annual Report for FY 1975, p. 6.

FY 1975. Accessions in mental categories I and II dropped from 63% to 25% between FY 1970 and FY 1975. However, in FY 1975 over three-quarters (76.4%) of the NPS male accessions fell into mental categories II and III. (See Tab Q).

FY 1976 Selected Reserve (paid drill) Strengths are above 95% of Authorized Average (See Tab R).

The Individual Ready Reserve (IRR)--members of the Ready Reserve in a non-paid drill status--is now in a state of flux; the statistical history does not illuminate potential problems.

There are legislative proposals under consideration to provide enlistment/reenlistment bonuses for participation in a Reserve component. H.R. 101 (94th Congress) is an example. It is a bill to provide an incentive plan for participation in the Ready Reserve. This bill, if enacted, would provide a reservist with a six-year enlistment an immediate payment of \$300 plus \$150 upon completion of each year of that six-year period.

IX FOREIGN RESERVE FORCES COMPENSATION SYSTEMS.

For the purpose of comparison data was obtained on the compensation systems of three foreign Reserve Forces: United Kingdom, West Germany, and Israel. The United Kingdom Reserve Forces are similar to the U.S. in custom, the West German resemble the U.S. in organization, and the Israeli Reserve Forces have been highly responsive.

United Kingdom (UK)¹

The UK Armed Forces including the Reserve Forces have converted to a salary system.

The Reserve Forces comprise the Regular Reserves, and the Volunteer Reserves and Auxiliary Forces. Generally the UK Reserve Forces train as separate units.

The Army has the largest Reserve. The active segment is the Territorial and Army Volunteer Reserve (TAVR); units which operate in much the same fashion as our own Selected Reserve. The TAVR perform weekend drills and two-week Annual Training and are paid for both. The other segment of the Army Reserve is a "pool" composed of former regulars; no training is required and therefore there is no entitlement to training pay.

The Royal Naval Reserve (RNR) functions similarly to the Territorial Army. The RNR mans Reserve ships. Members of the RNR are paid for their weekend "IDT" and two-week Annual Training. The RNR also maintains a Reserve pool consisting of former regulars who undertake no further training and receive no training pay.

The Royal Air Force (RAF) Reserve contains only former RAF regulars. The RAF reservist can be either a short-term or long-term careerist. The short-term careerist serves at least three years on active duty and two years as a reservist. The long-term careerist has from 10 to 20

¹ Data supplied by British Embassy, Washington, D. C.

years of active duty before going into inactive status. RAF reservists train two weeks each year, for which training they are paid. All have specific mobilization billets. There are no weekend drills as such.

Training pay is set at roughly 90% of active (career) salary.

For weekend drills, comparable to IDT, the TAVR is paid on a daily basis. A drill is a full day similar to a U.S. two-drill MUTA. Thus, TAVR members are paid one day's pay for a full day's single drill. The RNR generally follows these training-pay rates but pays reduced rates for occasional drills of less than a full-day's duration.

On Annual Training, comparable to ADT, all reservists draw training pay, not active duty salary.

In the UK military salary system there are no allowances specifically for reservists or regulars. Both qualify for National Health Care.

The UK has no Reserve retirement compensation program.

All reservists have had prior active service; there are no nonprior service reservists. The view in the British diplomatic community is that reservists fully understand the nature of their Reserve commitment and exhibit a strong fraternal spirit, and that these factors primarily motivate UK reservists to continue and to train in the Reserve Forces.

Federal Republic of Germany (West Germany)¹

The West German Armed Forces have adopted the salary system and have integrated their compensation system with the Federal Civil Service.

All physically-qualified men upon reaching 18 years of age are drafted into National Service for a period of 15 months. There is a minimum of 200,000 conscripts at all times. Currently the total is around 220,000 draftees: 169,800 Army draftees, 40,800 Air Force, and 11,200 Navy.

Upon completion of their 15-month active-duty obligation, draftees are assigned for 12 months to one of two Reserve categories: either to the "Standby Reserve" (translated as Standby Readiness), or to equipment-handling units. 50,000 reservists at all times are in a state of Standby Readiness. The excess above 50,000 goes to equipment-handling units. The Minister of Defense has authority to call the Standby Readiness Reserve to active duty without parliamentary consent.

After twelve months most reservists in Standby Readiness are reassigned either to equipment-handling units (Army only) or to the equivalent of the U.S. Individual Ready Reserve (IRR).

The remaining reservists are reassigned to a Manpower Pool for purposes of being mobilized if needed. They receive no further training or pay. Nonrated soldiers must stay in the manpower pool until age 30, nonrated sailors and airmen until age 35, noncommissioned officers

¹ Data supplied by the Embassy of the Federal Republic of Germany, Washington, D. C.

until age 45, and commissioned officers until age 60. After these ages they are removed from the Reserve rolls.

Drilling ("IDT") is done on so-called "private basis": firing practice, weekend exercises, etc. There is no pay for IDT drills. This quasi-public, quasi-private aspect of IDT is a key element in the West German Reserve program. This private training is organized on a village basis; the "units" are commanded by Reserve officers, but the local career (Regular) Battalion Commander, for example, will supply the ammunition.¹

Reservists in equipment-handling units do two types of training: mobilization exercises ("ADT") announced well in advance, and ADT with no prior announcement (i.e., on "Alert Basis").

Reservists in the IRR train individually at active duty installations for their two-week Annual Training (ADT). The IRR includes, for example, physicians and dentists. Their ADT is scheduled well in advance.

While ADT is typically two weeks in length, it can vary from one day to a month or more. Reservists on ADT are paid a salary plus a Per Diem. The salary is at a guaranteed minimum level, graduated by grade, up to a maximum of 70% of net civilian pay for single members and 90% for members with dependents. No attempt is made to relate this ADT training pay to the salaries of the career military.

¹ Active duty career military comprises only regulars; except in extraordinary or critical situations there are no reservists on "EAD".

The Per Diem ranges from \$5.50 DM for Privates to \$19.00 DM for Generals. For ADT of three consecutive days or less the Per Diem is paid at an accelerated rate as follows:

- o Weekday ADT -- Double the Per Diem rate for each day;
- o Weekend ADT -- A lump sum Per Diem equal to five times the daily rate.

In addition to salary and Per Diem, Reservists on ADT receive several in-kind allowances which they treat as compensation:

- o food while in training status;
- o lodging in barracks, etc.;
- o medical care for the member;
- o field dress;
- o travel reimbursement relating to ADT or Call-up.

On ADT reservists are entitled to Special Pays at the same rates as their active duty counterparts. These special pays include Flight Pay, Parachute Pay, and Diving Duty Pay.

Some in the West German diplomatic community say that a few reservists complain about the absence of drill pay but that this is not a general complaint.

Israel¹

In the Israeli Armed Forces the ratio of regular to reservist is one to five.

Israel has Universal Military Training (i. e. , "Draft"): three-years' compulsory active duty for men (from ages 18 to 21), and two years' compulsory active duty for women (from ages 18 to 20).

After completing compulsory service, male reservists progress through three time categories prior to retirement. From ages 21 to 39 they are in Category I, from 40 to 47 in Category II, and from 47 to 55 in Category III. Female reservists are placed only in Category I (from ages 20 to 26); after age 26 they have no further Reserve commitment.

All categories of reservists perform 12 inactive duty drills ("IDT") each year.

Active duty training ("ADT") requirements are delineated by the three categories: Category I reservists must take 30-days' ADT each year, Category II 21 days', and Category III 14 days' ADT each year. Category I training is the most important. If there are budget constrictions in any year, Categories II and III reservists may not be ordered to ADT. The Category I reservists always train each year.

In addition to the basic 30-day ADT commitment for all Category I reservists, commissioned and non-commissioned Reserve officers in Category I must come on active duty seven days before the

non-commissioned Category I reservists commence their training. Thus, these officers in Category I perform a total of 37-days' ADT annually.

Reservists can be called to active duty without notice in time of war or national emergency. The call-up may last from 30 days to more than six months. Call-ups are comparable to TEMAC.

Compensation of the Israeli Reserve Forces depends upon the phase of training or type of duty. During their draft service they are paid a monthly allowance, called Pocket Money, equivalent to U.S. \$15-\$20. Draftees are provided their remaining compensation in kind: food, clothing, and shelter.

For IDT drills reservists of all grades are paid a single daily allowance, pocket money, if a drill lasts a full day. For drills of less than a day no cash allowance is paid. There is no other drill pay. Reservists who must travel beyond their immediate locality to go to the drilling site are issued travel tickets to cover the transportation.

Reservists on ADT are paid the same salaries as they receive in their civilian employment. The Armed Forces do not pay these salaries; salary payments for ADT are made by the Social Security Administration. The higher the civilian salary, the higher the salary for annual ADT. In addition, reservists on ADT receive the same pocket-money allowance

as is paid for full-day IDT. If ADT is beyond the immediate locality, travel tickets are also provided.

In a call-up (TEMAC) the Social Security Administration pays the reservist a salary and mandatorily sends 40-50% of the salary to the reservist's family by allotment check.¹ On TEMAC the reservist is also paid the standard pocket-money allowance.

There is one Incentive Pay: Flight Pay. For each day of IDT and ADT in flying status Reserve pilots are paid a daily rate of 1/30th of the monthly rate paid to Regular pilots. On "EAD" (including TEMAC) Reserve pilots are paid at the regular monthly rate.

In addition to cash pay and allowances, reservists are entitled to medical and commissary benefits when on ADT and EAD but not on IDT. The medical benefits for dependents are provided under the National Socialized Medical System.

Reservists on ADT and EAD, but not IDT, are entitled to survivor benefits. The benefits cover leave and travel status as well as training or combat.

There is no Reserve retirement system. Since Israel is a socialized state, most reservists will qualify for a government retirement benefit similar to the U.S. Social Security pension. The Social Security system

¹ In the last war (1973) the Israeli Government passed a law authorizing a moratorium on payments by reservists of their debts. After the emergency, which lasted six months, the reservists were required to resume debt-payments without penalty.

provides potentially for all except the self-employed. Military careerists have a separate retirement program which takes precedence over the Social Security program. Careerists (regulars) who do not qualify for a military pension are entitled to a Social Security pension; they cannot draw both.

The law secures the reservist's job during a call-up. A self-employed reservist may be discharged if his (or her) business cannot otherwise operate (subject to stringent review by the government before granting the discharge)¹.

On ADT and on TEMAC call-ups the self-employed reservists are not paid salaries but receive only the pocket-money allowance, for the self-employed are not enrolled in the Social Security program. This, according to the Israeli diplomatic community, poses a problem.

The diversity of civilian-based compensation (salaries) creates tensions during lengthy call-ups. If reservists are called up for 30 days, there are few complaints about compensation. If, however, the call-up lasts for six months or so, real tensions develop. A tank commander, for example, may be earning significantly less than those under his command. In general, however Israeli reservists consider themselves "soldiers on 11-month leave".

1 A Board exists to consider pleas from self-employed reservist. Hearings are conducted. The Adjutant General has "the final word".

X. MILITARY SALARY SYSTEM.

IDT (drill) pay and Reserve retired pay are based on basic pay.

Reservists on ADT and EAD are paid on the same basis as the Regular component. If the pay of the Regular component is converted to a salary system, the pay to reservists for ADT and EAD will retain the same relationship with Regular pay, but a basis on which to calculate Reserve drill and retired pay will be required.

The following factors define possible drill-pay alternatives upon conversion to a salary system:

1. Traditional pay-relationship between inactive duty Reserve and active duty forces;
2. Current drill pay levels;
3. Integration of active duty and inactive duty forces;
4. Equal pay for substantially equal work;
5. Linkage with civilian sector; and
6. Minimum compensation needed to attract, retain, and motivate the number and quality of Reserve personnel required.

There are six conceptual alternatives based upon the above factors:

Alternative No. 1--Pay one day of active duty salary in lieu of a day of active duty basic pay for a four-hour UTA.

Alternative No. 2--Maintain current drill pay levels as the necessary compensation level for the IDT program by applying a percentage to active duty salary rate.

Alternative No. 3--Replace inactive duty training (IDT) with active duty training (ADT). Pay reservists one day's salary for one day's ADT.

Alternative No. 4--Establish an hourly pay rate system for IDT set to equal average hourly rates for active duty personnel, treating active duty RMC as if it were all paid for the time active duty members are actually at their place of work.

Alternative No. 5--Set Reserve drill pay on the basis of a direct link with comparable civilian work.

Alternative No. 6--Establish a Reserve IDT pay system separate and independent from active duty or private sector pay systems.

These alternatives are compared in Tab S.

XI OTHER RESERVE COMPENSATION ISSUES.

Tuition Assistance.

The DoD presently is reviewing a proposed bill which would provide tuition assistance for enlisted members while they are participating in the Selected Reserve. One of the purposes of this bill is to encourage enlistment and reenlistment in the Reserve Forces. The tuition assistance would be awarded for attending an accredited college or university at the Associate, Baccalaureate, and Graduate level or an approved technical/occupational institution. Tuition payments would comprise:

50% of tuition during the first six-year enlistment;

75% during enlistment beyond six years.

A limit of six semester hours or nine quarters hours would be paid for any single semester.

Military Leave to Federal Civil Servants.

The National Defense Act of 3 June 1916 (codified in 5 U.S.C. 6323) entitles Federal civil servants who are members of Reserve components to an additional 15 days' (120 hours) paid Civil Service leave. This additional leave is for the purpose of performing annual training in a paid military status.

A legislative proposal (DoD 94-111) to eliminate this dual payment was submitted to Congress in March 1976, and has been referred to the Post office and Civil Service Committee of the Senate. DoD 94-111 proposes that the Federal employee be provided his (or her) military pay and the difference between his military pay and his civilian pay. If his military pay and allowances (all pay and allowance other than travel, transportation, and per diem) amount to more than his civilian pay, he would receive no civilian pay for the period of his annual active duty. It is estimated that more than 100,000 Federal employees who are Guardsmen or Reservists receive military pay for 15 days' ADT annually. Estimated savings in FY 1977 from this proposal total \$45.0 million.

XII. CONCLUSIONS.

The compensation systems of the Reserve Components is based on and essentially equivalent to the compensation system of the Regular Component. The compensation system for the primary Reserve

training vehicles--Inactive Duty Training and Active Duty Training--differ in some elements from those for Reserve Extended Active Duty and for Regular service. These differences are intended to recognize the differences in the form and requirements of the duty. How most appropriately to recognize these differences has been a matter of continuing discussion within the Department of Defense and among the various Reserve interest groups. These issues will be the subject of comprehensive review in the DoD-OMB Study of Reserve Compensation directed by the President and formalized in April 1976 in a letter from the Office of Management and Budget to the Secretary of Defense.

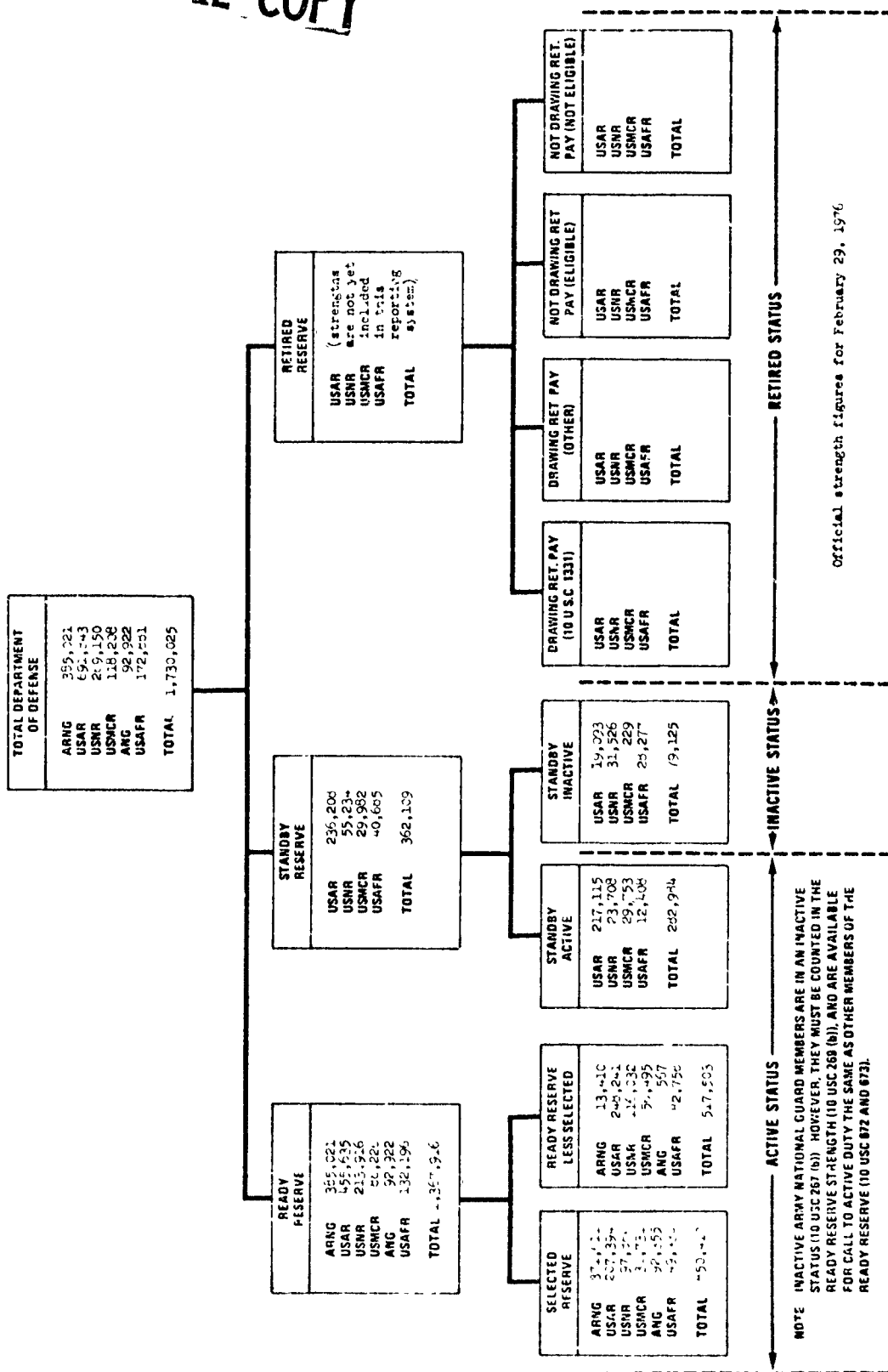
XIII RECOMMENDATIONS.

The QRMC Staff recommends that:

- a. In estimating the costs and savings of alternative compensation systems the present cost relationship of Reserve and Regular compensation systems should be assumed to continue.
- b. The features of the compensation system for the inactive Reserve Components--IDT and ADT and their variants--should be designed to achieve the recruiting, retention, and motivational needs of manning the Reserve Components.
- c. This research be supplied to the Reserve Compensation System Study for use in the detailed study of the compensation system of the Reserve Components.

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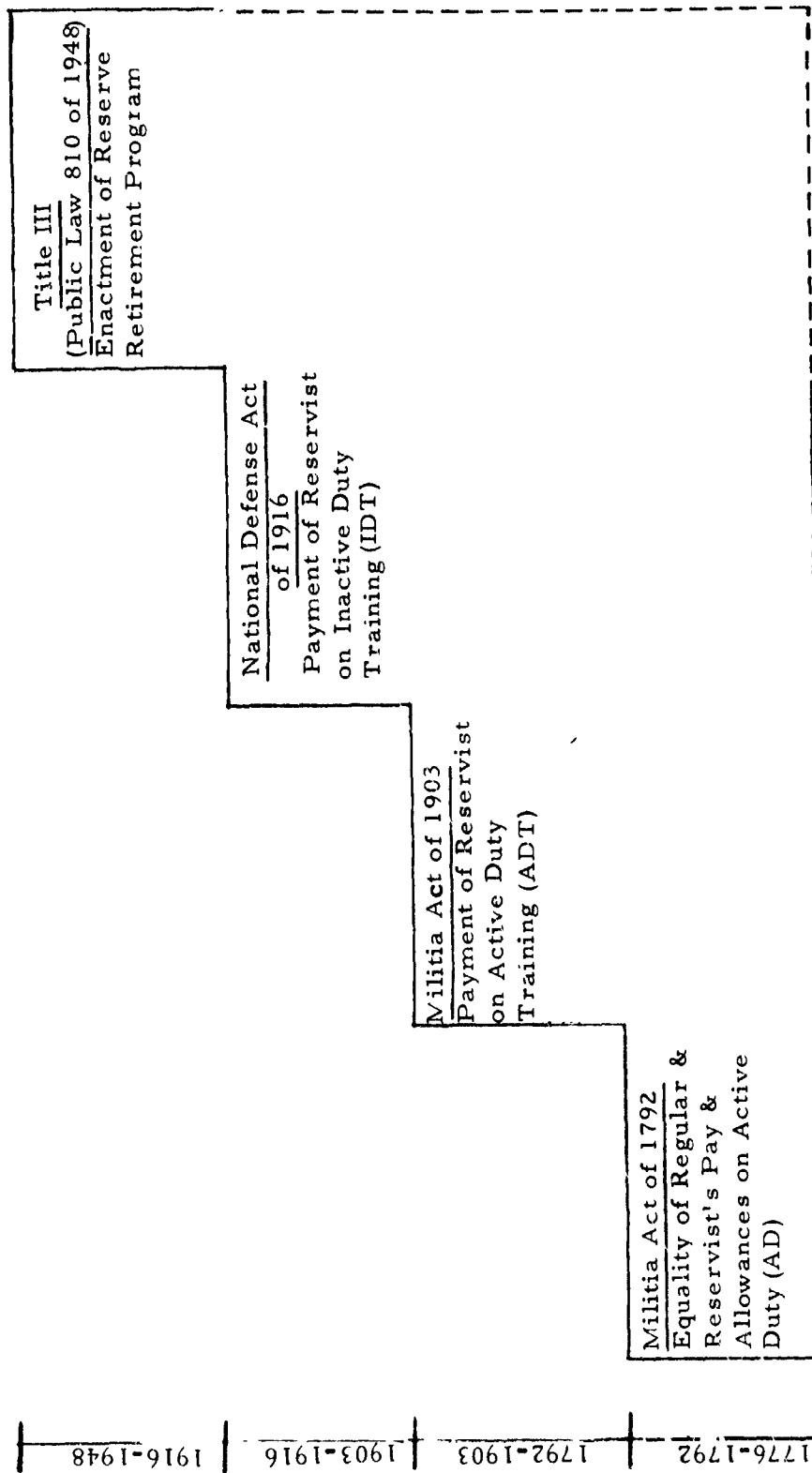
COMPOSITION AND ACTUAL STRENGTHS OF THE RESERVE COMPONENTS OF THE DEPARTMENT OF DEFENSE (NOT ON ACTIVE DUTY)



Prepared by: ODASD (RA)

RESERVE FORCES COMPENSATION

HISTORICAL PROGRESSION OF LANDMARK LEGISLATION



CONGRESSIONAL ACTS

RESERVE FORCES COMPENSATION

Legislative History

I. History - Outline.

A. The National Militia during the Birth of our Nation.

As revealed in the writings of George Washington and the original legislation of our Federal Government, the National Militia performed on an equal basis with the Regular Forces and, in turn, received the same pay and allowances as the Regular when on active duty.

B. The Three Landmark Acts Prior to 1917.

In our Nation's history prior to the US entry into World War I, Congress passed three landmark Acts affecting Reserve Forces Compensation:

1. Original Militia Act of 1792.
2. Militia Act of 1903.
3. National Defense Act of 1916.

The first gave the Reservist equal pay and allowances with the Regular on active duty, the second initiated pay and allowances for active duty training, and the third inaugurated pay for inactive duty training, or drill pay.

C. Implementing Pay and Allowances Legislation for the National Guard, 1916-1928.

World War I and the following decade saw the implementation of pay and allowances legislation for the National Guard as contained in Title 32, Chapter 10, of the US Code. This legislation specified, for example, the compensation of Guardsmen for armory drills at 1/30th of the monthly basic pay per drill.

D. Refinement of Reserve Forces Compensation, 1942-1952.

World War II and its aftermath resulted in three Congressional Acts refining and reinforcing pay and allowances for Reserve Forces. The three key Acts:

1. Pay Readjustment Act of 1942.
2. Public Law 460 of 1948.
3. Armed Forces Reserve Act of 1952.

The compensation for active duty, active duty training, and inactive duty training was provided for in detail.)

E. Pension Legislation for the Reserve Forces.

1. Pensions for disabled militiamen and their survivors (1800's).
2. Title III - Reserve Retirement (Public Law 810 of 1948).
This landmark Act authorized a comprehensive retirement program for the Reserve Forces.

F. Legislative Summary, 1792-1952.

II. History.

A. The National Militia during the Birth of our Nation.
The Reserve Forces have been operating since Colonial times.

The status of these Forces, then called Militias, crystallized during the French and Indian War and the Revolutionary Period. Each colony had a Militia. From the writings of George Washington¹ we glean the role of the Militias.

Colonel George Washington of the Virginia Regiment (Regular Forces) wrote on June 25, 1757 to Colonel William Fairfax of the Virginia Militia:

I have been obliged to furnish your Militia with provisions and ammunition but with a good deal of reluctance; as I was blamed for the like proceeding last year.

Pay of Militia was a key issue as indicated by the writings of George Washington just prior to our Nation's Independence:²

Letter of General Washington to the Massachusetts Legislature on December 6, 1775--

Sir: Copies of the inclosed Letters I have already written to the Governors of Rhode Island and Connecticut and shall do the same to the president of the Congress in

¹The Writings of George Washington (from the Original Manuscript Sources), 1745-1799. U. S. Government Printing Office, Washington, D.C. (Printed March 1944)

²He was then General of the Continental Army ("General and Commander in Chief of the Army of the United Colonies and of all the forces raised or to be raised by them---") by order of the Continental Congress in June 19, 1775.

New Hampshire; as I conceive our affairs are in very critical situation. It was mentioned to me yesterday in conversation that the Militia of the Government, who were ordered in to supply the places of the Connecticut troops, are allowed 40/pr Month of 28 days. The first I highly approve of, because I was unwilling to see any invidious distinction in pay, the never failing consequence of which is, jealousy and discord. But Sir, if the Genl. Court of this Colony have resolved on the latter, you must give me leave to add, that it aims the most fatal stab to the peace of this Army, that ever was given; and that Lord North himself could not have devised a more effectual blow to the recruiting service.

Letter of General Washington to the Massachusetts Legislature on
January 16, 1776--

I beg leave to return my thanks for the kind offer of Fifty thousand Pounds for the Continental use. I will accept of a loan upon the terms mentioned, of half that sum; to secure payment of the Militia, whose time of Service will be up the last of this Month; till when I shall not have occasion to make use of the Money.

GENERAL ORDERS of General Washington, January 26, 1776--

The Captains, or Commanding Officers of the Militia Companies, are to have their pay Abstracts ready by the first of February, in Order for payment: The General having borrowed as much Money as will answer this purpose, rather than suffer them to return without.

The New Hampshire Militia, are to be allowed (by the Commissary) one penny a Mile coming and going in lieu of rations; as this allowance has already been made by the Massachusetts Government to their militia.

GENERAL ORDERS of General Washington, January 28, 1776--

As the General is consenting to, and desirous of the Militia drawing the same pay, as the Continental Troops The Officers of those Companies are hereby inform'd, that since the first of January, their pay will be the same as those Officers (of equal rank), upon the new establishment.

Letter of General Washington to Governor Jonathan Trumbull,
Governor of Connecticut Colony, February 9, 1776--

I shall take care to have the three Battalions of Militia paid, which are coming here in the defence of our Lines in the same Manner, that the rest are when the time of their engagement expires.

GENERAL ORDERS of General Washington, March 27, 1776--

The Colonels, or commanding Officers of the regiments of Militia, are desired to make up their pay Abstracts, to the first of April; they will be allowed pay until they get home, estimating every twenty Miles they have to travel, at one day's pay--They will be allowed also one penny a mile, in lieu of Rations, for their expences in returning-- The pay of the Militia is to commence from the day the men marched from their respective Tours, in the same manner as the last were paid.

Letter of General Washington to the President of the Continental
Congress, April 4, 1776--

I heartily wish the money had arrived sooner, that the Militia might have been paid as soon as their time of Service expired; the disappointment has given them great uneasiness and they are gone home much dissatisfied.

Letter of General Washington to the President of the Continental
Congress, April 22, 1776--

The Militia which on my application were ordered to this place to keep possession until I should arrive with the Continental Troops, were obliged to return home without their pay, as there was not then Money sufficient in the Treasury for that purpose, and to answer the Exigencies of the Army; this occasioned great uneasiness among them and may be attended with very bad consequences, in case we should have occasion for their service on any future emergency; I therefore beg the Congress would make provision for their pay, and point out particularly, whether it is to be done by the Commander of the Continental Forces, or by the Provincial Assemblies or Conventions from whence they are sent.

Throughout this Revolutionary Period General Washington was concerned with the Government's power to call out militias. In a letter to the President of the Continental Congress he wrote (June 20, 1776):

The kind attention Congress have shown to afford the Commander in Chief every assistance, by resolving that recommendatory Letters be written to the conventions of New Jersey, New York and the Assembly of Con-

militias in cases of exigency, claims my thankful acknowledgements and I trust, if carried into execution, will produce many advantages, in case It may be expedient to call in early reinforcements; the delays incident to the ordinary mode may frequently render their aid too late and prove exceedingly Injurious.

After the Revolution the fledgling Nation had to cope with the establishment of a Peace Establishment. George Washington expressed his sentiments eloquently in an Enclosure to Alexander Hamilton (May 2, 1783), then Chairman of the Committee of Congress on the Peace Establishment:

The Peace Establishment as a bulwark of defense--

. . . the immediate safety and future tranquility of this extensive Continent depend in a great measure upon the peace Establishment now in contemplation; and being convinced at the same time, that the only probable means of preventing insult or hostility for any length of time and from being exempted from the consequent calamities of War, is to put the National Militia in such a condition as that they may appear truly respectable in the eyes of our Friends and formidable to those who would otherwise become our enemies.

Elements, drill, discipline of the Peace Establishment--

4thly. It is also indispensable that such a proportion of the Militia (under whatever description they are comprehended) as are always to be held in readiness for service, nearly in the same manner the Minute Men formerly were, should be exercised at least from 12 to 25 days in a year, part of the

time in Company, part in Battalion and part in Brigade, in the latter case, by forming a Camp, their Discipline would be greatly promoted, and their ideas raised, as near as possible, to real service; Twenty five days might be divided thus, ten days for training in squads, half Companies and Companies, ten in Battalion and five in Brigade.

5thly. While in the Field or on actual duty, there should not only be a Compensation for the time thus spent, but a full allowance of Provisions Straw, Camp Equipage & c.

The well-known Militia Act of 1792 incorporated earlier Congressional acts. On April 30, 1790, the First Congress approved "An Act for regulating the Military Establishment of the United States" which stipulated, in Session II, Chapter 10, Section 16:

And be it further enacted, that for the purpose of aiding the troops now in service, or to be raised by this act, in protecting the inhabitants of the frontiers of the United States, the President is hereby authorized to call into service from time to time such part of the militia of the states respectively, as he may judge necessary for the purpose aforesaid; and that their pay and subsistence while in service, be the same as the pay and subsistence of the troops above mentioned, and they shall be subject to the rules and articles of war.

In the War of 1812, machinery for payment of Militia was prescribed by Congressional directive. The Thirteenth Congress, in Session II, Chapter 67, Section 4, approved this "Proviso" (on April 18, 1814):

Provided also, That the Said district and assistant paymasters shall make payments to the militia in the Service of the United States when required by the Secretary of War or the paymaster of the Army.

The pattern for treating the militias as espoused by George Washington pertained until the emergence of the United States as a World Power in the early twentieth century.

In the history of the Reserve Forces prior to our entry into World War I (1917), three Congressional Acts stand out as landmark legislation.

1. Original Militia Act of 1792. In this Act members of the Uniform Militia on extended periods of active duty were compensated the same as regulars.

2. Militia Act of 1903, and Amendment of 1908. In this legislation members of the Organized Militia, henceforth called the National Guard, were compensated for "annual encampments" which evolved into Active Duty Training (ADT).

3. The National Defense Act of 1916. In this comprehensive Act encompassing the spectrum of national defense, members of the National Guard were authorized compensation for "armory drills" which later were designated Inactive Duty Training (IDT).

The pertinent provisions of these three Acts should be reviewed directly--

Original Militia Act of May 2, 1792, Second Congress, Session I, Chapters 28 and 33:

Chapter XXVIII. - An Act to provide for calling forth the Militia to execute the laws of the Union, suppress insurrections and repel invasions.

Section 4. And be it further enacted, That the militia employed in the service of the United States, shall receive the same pay and allowances as the troops of the United States, who may be in service at the same time, or who were last in service, and shall be subject to the same rules and articles of war.

Chapter XXXIII. - An Act more effectually to provide for the National Defence by establishing a Uniform Militia throughout the United States. (a)

Section 1. Be it enacted . . . , That each and every able-bodied white male citizen of the respective states, resident therein, who is or shall be of the age of eighteen years, and under the age of forty-five years (except as in herein after excepted) shall severally and respectively be enrolled in the militia . . .

Militia Act of January 21, 1903, Fifty Seventh Congress, Session

II, Chapter 196 (Public Law 33);

Section 1. Be it enacted . . . , That the militia shall consist of every able-bodied male citizen of the respective states, Territories, and the District of Columbia, and every able-bodied male of foreign birth who has declared his intention to become a citizen, who is more than eighteen and less than forty-five years of age, and shall be divided into two classes - the organized militia, to be known as the National Guard of the State, Territory, or District of Columbia, or by such other designations as may be given them by the laws of the respective States or Territories, and the remainder to be known as the Reserve Militia.

Section 10. That the militia, when called into the actual service of the United States, shall, during their time of service, be entitled to the same pay and allowances as are or may be provided by law for the Regular Army.

Section 14. That whenever it shall appear by report of inspections . . . that the organized militia . . . is sufficiently armed, uniformed, and equipped for active duty in the

field, the Secretary of War is authorized . . . to pay the quartermaster-general thereof . . . so much of its allotment out of said annual appropriation under section sixteen hundred and sixty-one of the Revised Statutes as amended as shall be necessary for the payment, subsistence, and transportation of said organized militia as shall engage in actual field or camp service for instruction, and the officers and enlisted men of such militia while so engaged shall be entitled to the same pay, subsistence, and transportation or travel allowances as officers and enlisted men of corresponding grades of the Regular Army are or may hereafter be entitled by law.

Section 15. That the Secretary of War is hereby authorized to provide for participation by any part of the organized militia of any State or Territory on the request of the governor thereof in the encampment, maneuvers, and field instruction of any part of the Regular Army at or near any military post or camp or lake or seacoast defenses of the United States. In such case, the organized militia so participating shall receive the same pay, subsistence, and transportation as is provided by law for the officers and men of the Regular Army, to be paid out of the appropriation for the pay, subsistence, and transportation of the Army.

Section 16. That whenever any officer of the organized militia shall upon recommendation of the governor of any State, Territory, or general commanding the District of Columbia, and when authorized by the President, attend and pursue a regular course of study at any military school or college of the United States such officer shall receive from the annual appropriation for the support of the Army the same travel allowances, and quarters, or commutation of quarters, to which an officer of the Regular Army would be entitled if attending such school or college under orders from proper military authority, and shall also receive commutation of subsistence at the rate of one dollar per day

while in actual attendance upon the course of instruction.

Section 18. That each State or Territory furnished with material of war under provisions of this and former Acts of Congress shall, during the year next preceding each annual allotment of funds, in accordance with section sixteen hundred and sixty-one of the Revised Statutes as amended, have required every company, troop, and battery in its organized militia . . . to participate in practice marches or go into camps of instruction at least five consecutive days, and to assemble for drill and instruction at company, battalion, or regimental armories or rendezvous or for target practice not less than twenty-four times.

Amendment of May 27, 1908, Sixtieth Congress, Session I,

Chapter 204 (Public Law 145):

Section 15. That the Secretary of War is authorized to provide for participation by any part of the organized militia of any State or Territory on the request of the governor thereof in the encampment, maneuvers, and field instruction of any part of the Regular Army at or near any military post or camp or lake or seacoast defenses of the United States . . . The sums appropriated for the organized militia for such joint encampment, maneuvers, and field instruction shall be disbursed as, and for that purpose shall constitute, one fund;

Section 16. That whenever any officer or enlisted man of the organized militia shall . . . attend and pursue a regular course of study at any school or college of the United States, such officer and enlisted man shall receive from the annual appropriation for the support of the Army, the same travel allowances and quarters or commutation of quarters to which an officer or enlisted man of the Regular Army would be entitled . . .

such officer shall also receive commutation and subsistence at the rate of one dollar per day and each enlisted man such subsistence as is furnished to an enlisted man of the Regular Army while in actual attendance upon a course of instruction.

The National Defense Act of June 3, 1916, Sixty-Fourth Congress, Session I, Chapter 134 (Public Law 85):

Section 40. THE RESERVE OFFICERS' TRAINING CORPS. -- The President is hereby authorized to establish and maintain in civil educational institutions a Reserve Officers' Training Corps, which shall consist of a senior division organized at universities and colleges requiring four years of collegiate study for a degree . . . and a junior division organized at all other public or private educational institutions, except that units of the senior division may be organized at those essentially military schools which do not confer an academic degree but which . . . are specially designated by the Secretary of War as qualified for units of the senior division,

Section 57. COMPOSITION OF THE MILITIA. -- The militia of the United States shall consist of all able-bodied male citizens of the United States and all other able-bodied males who have or shall have declared their intention to become citizens of the United States, who shall be more than eighteen years of age and . . . not more than forty-five years of age, and said militia shall be divided into three classes, the National Guard, the Naval Militia, and the Unorganized Militia.

Section 58. COMPOSITION OF THE NATIONAL GUARD. -- The National Guard shall consist of the regularly enlisted

militia between the ages of eighteen and forty-five years organized, armed, and equipped as hereinafter provided, and of commissioned officers between the ages of twenty-one and sixty-four years.

Section 60. ORGANIZATION OF NATIONAL GUARD UNITS. -- . . . the organization of the National Guard, including the composition of all units thereof, shall be the same as that which is or may hereafter be prescribed for the Regular Army.

Section 67. APPROPRIATION, APPORTIONMENT, AND DISBURSEMENT OF FUNDS FOR THE NATIONAL GUARD. -- A sum of money shall hereafter be appropriated annually, to be paid out of any money in the Treasury not otherwise appropriated, for the support of the National Guard.

Section 78. THE NATIONAL GUARD RESERVE. -- . . . a National Guard Reserve shall be organized in each State, Territory, and the District of Columbia, and shall consist of such organizations, officers, and enlisted men as the President may prescribe, or members thereof may be assigned as reserves to an active organization of the National Guard: Provided, That members of said reserve, when engaged in field or coast-defense training with the active National Guard, shall receive the same Federal pay and allowances as enlisted men of like grade on the active list of said guard when likewise engaged:

Section 92. TRAINING OF THE NATIONAL GUARD. -- Each company, troop, battery, and detachment in the National Guard shall assemble for drill and instruction . . . not less than forty-eight times each year, and shall, in addition thereto, participate in

encampments, maneuvers, or other exercises . . . at least fifteen days in training each year, Provided, That credit for an assembly for drill . . . shall not be given unless the number of officers and enlisted men present for duty at such assembly shall equal or exceed a minimum to be prescribed by the President, nor unless the period of actual military duty and instruction participated in by each officer and enlisted man at each such assembly at which he shall be credited as having been present shall be of at least one and one-half hour's duration and the character of training such as may be prescribed by the Secretary of War.

Section 94. ENCAMPMENTS AND MANEUVERS. --Under such regulations as the President may prescribe the Secretary of War is authorized to provide for the participation of the whole or any part of the National Guard in encampments, maneuvers, or other exercises, . . . for field or coast-defense instruction, either independently or in conjunction with any part of the Regular Army, . . . and the officers and enlisted men of such National Guard while so engaged shall be entitled to the same pay, subsistence, and transportation as officers and enlisted men of corresponding grades of the Regular Army are or hereafter may be entitled by law.

Section 98. When any portion of the National Guard shall participate in encampments, maneuvers, or other exercises, including outdoor target practice, for field or coast-defense instruction, under the provisions of this Act, it may, after being duly mustered, be paid at any time after such muster for the period from the date of leaving the home rendezvous to date of return thereto as determined in advance, both dates inclusive;

**Section 99. NATIONAL GUARD OFFICERS
AND ENLISTED MEN AT SERVICE SCHOOLS---**

. . . the Secretary of War may . . . authorize a limited number of selected officers or enlisted men of the National Guard to attend or pursue a regular course of study at any military service school of the United States, except the United States Military Academy; . . . and such officer or enlisted man shall receive, out of any National Guard allotment of funds available for the purpose, the same travel allowances and quarters, or commutation of quarters, and the same pay, allowances, and subsistence to which an officer or enlisted man of the Regular Army would be entitled . . . :
Provided, That in no case shall the pay and allowances of this section exceed those of a captain.

Section 109. PAY FOR NATIONAL GUARD OFFICERS.--Certain commissioned officers on the active list belonging to organizations of the National Guard of each State, Territory, or the District of Columbia participating in the apportionment of the annual appropriation for the support of the National Guard shall receive compensation for their services, except during periods of service for which they may become lawfully entitled to the same pay as officers of the Regular Army, as follows, not to include longevity pay: A captain \$500 per year and the same pay shall be paid to every officer of higher rank than that of captain, a first lieutenant \$240 per year, and a second lieutenant \$200 per year. Regulations to be prescribed by the Secretary of War shall determine the amount and character of service that must be rendered by officers to entitle them to the whole or specific parts of the maximum pay hereinafter authorized.

Section 110. PAY FOR NATIONAL GUARD ENLISTED MEN. -- Each enlisted man on the active list belonging to an organization of the National Guard . . . participating in the apportionment of the annual appropriation for the support of the National Guard, shall receive compensation for his services . . . at a rate equal to twenty-five per centum of the initial pay now provided by law for enlisted men of corresponding grades of the Regular Army: Provided, That such enlisted man shall receive the compensation herein provided if he shall have attended not less than forty-eight regular drills during any one year, and a proportionate amount for attendance upon a lesser number of such drills, not less than twenty-four, . . . Provided further, That periods of any actual military duty equivalent to the drills herein prescribed (except those periods of service for which members of the National Guard may become lawfully entitled to the same pay as officers and enlisted men of the corresponding grades in the Regular Army) may be accepted as service in lieu of such drills when so provided by the Secretary of War.

. . . no money appropriated under the provisions of this or the last preceding section shall be paid to any person not on the active list, nor to any person over sixty-four years of age, nor to any person who shall fail to qualify as to the fitness for military service under such regulations as the Secretary of War shall prescribe,

Section 112. RIGHTS TO PENSIONS. --

When any officer or enlisted man of the National Guard drafted into the service of the United States in time of war is disabled by reason of wounds or disability received or incurred while in the active service of the United States in time of war, he shall be entitled to all the benefits of the pension laws existing at the time of his service, and in case such officer or enlisted man dies in the active service of the United States in time of war or in returning to his place of residence after being mustering out of such service, or at any other time in consequence of wounds or disabilities received in such actual service, his widow and children, if any, shall be entitled to all the benefits of such pension laws.

C. Impementing Pay and Allowances Legislation for the National Guard, 1916-1928.

Beginning this century pay and allowances for the militia, now called the National Guard, reflected more and more the training or drilling requirements of the Reserve Forces. For the National Guard Title 32, Chapter 10, of the U.S. Code contained key pay and allowance provisions passed by Congress in the period 1916-1928:

Sec. 143 - Pay of officers and warrant officers for armory drills.

Under such regulations as the Secretary of War may prescribe, captains, lieutenants, and warrant officers belonging to organizations of the National Guard shall receive compensation at the rate of one-thirtieth of the monthly base pay prescribed for them in sections 7 and 13 of Title 37, for each regular drill or other period of instruction authorized by the Secretary of War, not exceeding eight in any one calendar month and not exceeding sixty in one year, at which they shall have been officially present for the entire required period of not less than one and one-half hours. Officers above the grade of captain shall receive not more than \$500 a year, and officers below the grade of major, not belonging to organizations, shall receive not more than four-thirtieths of the monthly base pay prescribed for them in section 7 of Title 37 for satisfactory performance of their appropriate duties under such regulations as the Secretary of War may prescribe.

Sec. 153 - Pay of specialist rating in sixth and seventh grades.

Enlisted men of the sixth and seventh grades of the National Guard holding specialists' ratings under the provisions of section 605 of Title 10, shall, in addition to the pay provided in section 23 of Title 37, be entitled to

one-thirtieth of the specialists' pay provided in section 13 of Title 37 for each day of participation in exercises provided for by sections 63, 64, and 65 of this title:

Sec. 154 - Pay of enlisted men of grades other than sixth and seventh.

Each enlisted man belonging to an organization of the National Guard, other than enlisted men of the sixth and seventh grades, shall receive compensation at the rate of one-thirtieth of the initial monthly pay of his grade in the Regular Army, and each of those of the sixth and seventh grades shall receive compensation as is provided in section 23 of Title 37, for each drill ordered for his organization where he is officially present and in which he participates for not less than one and one-half hours, not exceeding eight in any one calendar month and not exceeding sixty drills in one year:

These Congressional acts embodied the authority to compensate Reservists, in this case National Guardsmen, for what we call today Inactive Duty Training (IDT).

D. Refinement of Reserve Forces Compensation, 1942-1952.

In the ten-year period 1942-1952 Congress approved three Public Laws reinforcing and refining earlier legislation covering compensation of the Reserve Forces when on:

1. Active duty;
2. Active duty training (ADT); and
3. Inactive duty training (IDT)

The three Acts were:

1. Pay Readjustment Act of 1942 (Public Law 607);
2. Public Law 460 of 25 March 1948; and
3. Armed Forces Reserve Act of 1952 (Public Law 476)

By 1952 the legislation constituted primarily refinement and clarification of earlier Congressional Acts. In the Armed Forces Reserve Act of 1952, for example, the only new provision is the allusion to multiple drills in Section 244. Representative sections of the 1952 Act, as well as the significant sections of the 1942 Act and of the 1948 Act (P. L. 460) are presented to give an in-depth awareness of how the legislation progressed:

PAY READJUSTMENT ACT OF 1942, PUBLIC LAW 607 (16 JUNE 1942)--

Section 14. . . . Under such regulations as the Secretary of War may prescribe, officers of the National Guard, other than general officers, and warrant officers and enlisted men of the National Guard, shall receive compensation at the rate of one-thirtieth of the monthly pay authorized for such persons

when in the Federal service, for each regular drill, period of appropriate duty, or other equivalent period of training, authorized by the Secretary of War, at which they shall have been engaged for the entire prescribed period of time: Provided, That such pay shall be in addition to compensation for attendance at field or coast-defense instruction or maneuvers. General officers of the National Guard shall receive \$500 a year in addition to compensation for attendance at field or coast-defense instruction or maneuvers, for satisfactory performance of their appropriate duties. In addition to pay herein provided, officers of the National Guard commanding organizations less than a brigade and having administrative functions connected therewith shall, whether or not such officers belong to such organizations, receive not more than \$240 a year for the faithful performance of such administrative functions under such regulations as the Secretary of War may prescribe: Provided, that the provisions of this paragraph shall not apply when such persons are on active duty in the Federal service.

Section 18. Officers, warrant officers, nurses, and enlisted men of any of the services mentioned in the title of this Act and members of the Reserve forces of such services, and the National Guard shall receive an increase of 50 per centum of their pay when by orders of competent authority they are required to participate regularly and frequently in aerial flights, and when in consequence of such orders they do participate in regular and frequent flights as defined by such Executive orders as have heretofore been, or may hereafter be promulgated by the President: Provided, That when personnel of the National Guard are entitled to armory-drill pay, the increase of 50 per centum thereof herein provided shall be based on the entire amount of such armory-drill pay to which they shall be entitled for a

calendar month or fractional part thereof, and the required aerial flights may be made at ordered drills of an air-service organization, or at other times when so authorized by the President. Regulations in execution of the provisions of this paragraph shall be made by the President and shall, whenever practicable in his judgment, be uniform for all of the services concerned.

PUBLIC LAW 460 OF 25 MARCH 1948--

An Act to provide for inactive duty training pay for the Organized Reserve Corps to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes.

Be it enacted . . . That section 1 of the National Defense Act, as amended, be further amended by striking out the words 'the Officers Reserve Corps, the Organized Reserves, and the Enlisted Reserve Corp', and inserting in lieu thereof the words 'and the Organized Reserve Corps'.

Section 2. That section 37a of the National Defense Act of 1916, as amended, is amended by deleting therefrom the following sentence:

A Reserve officer shall not be entitled to pay and allowances except when on active duty.

Section 3. That section 14 of the Pay Readjustment Act of 1942, as amended, be amended to read as follows:

Section 14. (c) Under such regulations as the head of the Department may prescribe, and to the extent provided for by law and by appropriations, officers, warrant officers, and

enlisted personnel of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, shall receive compensation at the rate of one-thirtieth of the monthly base pay including longevity pay, authorized for such persons when on active duty in the armed forces of the United States, for each regular period of instruction, or period of appropriate duty, at which they shall have been engaged for not less than two hours including those performed on Sundays and holidays, or for the performance of such other equivalent training, instruction, or duty or appropriate duties as may be prescribed by the head of the Department concerned: Provided, That personnel required to perform aerial flights, parachute jumping, glider flights, or submarine duty shall receive the increases in pay provided for by law for personnel in such states:

(d) In addition to pay provided in paragraph (c) of this section, officers of the National Guard of the United States, Organized Reserve Corps, Naval Reserve, and Marine Corps Reserve, commanding organizations having administrative functions connected therewith shall, whether or not such officers belong to such organizations receive not more than \$240 a year for the faithful performance of such administrative functions under such regulations as the head of the Department concerned may prescribe;

and for the purpose of determining how much shall be paid to such officers so performing such functions, the head of the Department concerned may, from time to time, divide them into classes and fix the amount payable to the officers in each class:

(Section 4. Outlines organization and training of the Organized Reserve Corps, detailing compensation -- drill pay -- by class for "assemblies" -- inactive duty training.)

ARMED FORCES RESERVE ACT OF 1952, PUBLIC LAW 476
(9 JULY 1952)--

PART II - RESERVE COMPONENTS GENERALLY

Chapter 1 - Mission and General Organization

Section 201(a). The Congress hereby declares that the reserve components of the Armed Forces of the United States are maintained for the purpose of providing trained units and qualified individuals to be available for active duty in the Armed Forces of the United States in time of war or national emergency, or at such other times as the national security may require, to meet the requirements of the Armed Forces of the United States in excess of those of the Regular components thereof.

Section 201(b). The Congress further declares, in accordance with our traditional military policy as expressed in the National Defense Act of 1916, as amended, that it is essential that the strength and organization of the National Guard, and the Air National Guard, as an integral part of the first line defenses of this Nation, be at all times maintained and assured.

Section 202. The reserve components are:

- (a) The National Guard of the United States;
- (b) The Army Reserve;
- (c) The Naval Reserve;
- (d) The Marine Corps Reserve;
- (e) The Air National Guard of the United States;
- (f) The Air Force Reserve; and
- (g) The Coast Guard Reserve

Section 204. There shall be within each of the Armed Forces of the United States a Ready Reserve, a Standby Reserve, and a Retired Reserve, and each member of the reserve components shall be placed in one of these categories.

Section 205(a). The Ready Reserve consists of those units or members of the reserve components, or both, who are liable for active duty either in time of war, in time of national emergency declared by the Congress or proclaimed by the President, or when otherwise authorized by law.

Section 208(a). Each person required to serve in a reserve component pursuant to law, shall, upon becoming a member of a reserve component, be placed in the Ready Reserve of his Armed Force for the remainder of his required term of service unless eligible for transfer to the Standby Reserve under subsection (f) of this section.

Section 233(c). At any time, any unit and the members thereof, or any member not assigned to a unit, organized for the purpose of serving as such, in an active status in any reserve component may, by competent authority, be ordered to and required to perform active duty or active duty for training, without his consent, for not to exceed fifteen days annually. Provided, That no member of the National Guard of the United States or the Air National

Guard of the United States shall not be ordered to or required to serve on active duty . . . without the consent of the Governor of the State or Territory concerned, or the Commanding Officer of the District of Columbia National Guard.

(Section 243. Details "uniform allowances" for reserve officers and entitlements thereon.)

Section 244. Section 501 of the Career Compensation Act of 1949, as amended, is further amended, by substituting a comma for the colon immediately preceding the proviso in subsection (a) thereof, and inserting the following:

and additionally, in the discretion of the Secretary concerned, enlisted members of the above services shall be entitled to rations in kind, or a portion thereof, when the instruction or duty period or periods concerned total eight or more hours in any one calendar day:

(Section 245. Prescribes "equity of benefits" among members of reserve components and their dependents and beneficiaries.)

E. Pension Legislation for the Reserve Forces.

1. Pensions for disabled militiamen and their survivors (1800's).

While the Nineteenth Century was a relatively quiet and unspectacular period for the Militia, in contrast to the fervor and direct commitment in the Revolutionary Period and the complex involvement of our current century, the Militia did receive clear Congressional authorization for pensions during the 1300s. The granting of these pensions was important, for it paved the way for the more elaborate Reserve Retirement Program of our time. The Congressional legislation on Militia Pensions became reasonably detailed as early as 1808:

Tenth Congress, Session I, Chapter 60 (April 25, 1808)--

Section 4. And be it further enacted, That any officer, non-commissioned officer, musician, or private, who has been wounded or disabled since the revolutionary war, while in the line of his duty, in the actual service of the United States, whether he belong to the military establishment or the militia, or any volunteer corps, called into service under the authority of the United States, may be placed on the pension list of the United States, at such rate of compensation, and under such regulations as are prescribed by the act, intituled 'An act to provide for persons who were disabled by known wounds received in the revolutionary war', passed April the tenth, one thousand eight hundred and six.

Thirteenth Congress, Session I, Chapter 40 (August 2, 1813)--

Chapter XL - An Act to provide for the widows and orphans of militia slain, and for militia disabled in the service of the United States.

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That if any commissioned officer of the militia, or of any volunteer corps, shall while in the service of the United States die by reason of any wound received in actual service of the United States, and leave a widow, or if no widow, a child or children under sixteen years of age, such widow, or if no widow, such child or children shall be entitled to receive half of the monthly pay to which the deceased was entitled at the time of his death, for any during the term of five years.

Fourteenth Congress, Session I, Chapter 68 (April 24, 1816)--

Section 3. And be it further enacted, That all laws and regulations relating to the admission of the officers and soldiers of the regular army to be placed on the pension roll of the United States shall, and they are hereby declared to relate equally to the officers and soldiers of the militia, whilst in the service of the United States.

Thirty Seventh Congress, Session II, Chapter 165 (July 14, 1862)--

Chapter CLXVI - An Act to grant Pensions.

Be it enacted . . . That if any officer, non-commissioned officer, musician or private of the army, including regulars, volunteers, and militia, or any officer, warrant, or petty officer, musician, seaman, ordinary seaman, flotilla-man, marine, clerk, landsman, pilot, or other person in the navy or marine corps, has been, since the fourth day of March, eighteen hundred and sixty-one, or shall hereafter be, disabled by reason of any wound received or disease contracted while in the service of the United States, and in the line of duty, he shall, upon making due proof of the fact according, to such forms and regulations as are or may be provided by or in pursuance of law, be placed upon the list of invalid pensions of the United States and be

entitled to receive, for the highest rate of disability, such pension as is hereinafter provided in such cases, and for an inferior disability an amount proportionate to the highest disability, to commence as hereinafter provided, and continue during the existence of such disability.

Provisions of the Pension Act of 1862 were further elaborated by Act passed on March 3, 1873 (Forty Second Congress, Session III, Chapter 234): "An Act to revise, consolidate, and amend the Law relating to Pensions".

2. Title III - Reserve Retirement (Public Law 810 of 1948).

Since World War II, one Congressional Act ranks as landmark legislation of Reserve Forces Compensation: Public Law 810 of 29 June 1948:

An Act to provide for the elimination of Regular Army and Regular Air Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard.

This Act contains three Titles, of which the Third authorizes, establishes, and outlines the Reserve Retirement Program:

TITLE THREE

RETIREMENT WITH PAY OF OFFICERS AND ENLISTED PERSONNEL OF THE NATIONAL GUARD AND RESERVE CORPS OF THE ARMY OF THE UNITED STATES, THE RESERVE COMPONENTS OF THE AIR FORCE OF THE UNITED STATES, THE UNITED STATES NAVAL AND MARINE CORPS RESERVE, AND THE UNITED STATES COAST GUARD RESERVE.

Full understanding and appreciation of the Reserve Retirement Program requires review of TITLE III in its entirety. What follows cannot properly be excerpted:

TITLE III

RETIREMENT WITH PAY OF OFFICERS AND ENLISTED PERSONNEL OF THE NATIONAL GUARD AND RESERVE CORPS OF THE ARMY OF THE UNITED STATES, THE RESERVE COMPONENTS OF THE AIR FORCE OF THE UNITED STATES, THE UNITED STATES NAVAL AND MARINE CORPS RESERVE, AND THE UNITED STATES COAST GUARD RESERVE

SEC. 301. (a) The Secretary of the Army is authorized to establish the Army of the United States Retired List and the Secretary of the Air Force is authorized to establish the Air Force of the United States Retired List, to be published annually in the official Register of the service concerned, upon which respectively shall be placed the names of all commissioned officers and former commissioned officers of the Army of the United States or the Air Force of the United States, as the case may be, other than those of the Regular Army or the Regular Air Force, heretofore or hereafter granted retirement pay under section 5 of the Act of April 3, 1939 (53 Stat. 557, as amended, 10 U. S. C. 456), section 1 of the Act of September 26, 1941 (55 Stat. 733, 10 U. S. C. 456a), and section 302 of this title, or any law hereafter enacted to provide retirement pay for commissioned officers other than those of the Regular Army or the Regular Air Force, and the names of all warrant officers and enlisted men of the Regular Army or the Regular Air Force heretofore or hereafter retired under any provision of law who, by reason of service in temporary commissioned grades in the Army of the United States or the Air Force of the United States, or in any of the respective components thereof, are entitled to be retired with commissioned rank or grade.

(b) The Secretary of the Navy is authorized to establish a United States Naval Reserve Retired List to include the names of all officers and enlisted personnel of the Naval and Marine Corps Reserve who are granted retired pay under the provisions of this title, the provisions of Public Law 305, Seventy-ninth Congress, or any law hereafter enacted to provide retired pay for such officers and enlisted personnel.

SEC. 302. (a) Any person who, upon attaining or having attained the age of sixty years, has performed satisfactory Federal service as defined in this section in the status of a commissioned officer, warrant officer, flight officer, or enlisted person in the Army of the United States or the Air Force of the United States, including the respective reserve components thereof, and also including the federally recognized National Guard prior to 1933, the United States Navy including the reserve components thereof, the United States Marine Corps, including the reserve components thereof, or the United States Coast Guard, including the reserve components thereof, and has completed an aggregate of twenty or more years of such satisfactory service in any or all of the aforesaid services, shall, upon application therefor, be granted retired pay: *Provided*, That for the purposes of this section the last eight years of qualifying service for retirement under this title must have been service as a member of a reserve component except that any member of a reserve component of the Air Force of the United States shall be entitled to include service as a member of a reserve component of the Army of the United States performed on or prior to July 26, 1941: *Provided further*, That for the purposes of this subsection, simultaneous service as a member of a reserve component and as a member of the Regular Army, Navy, Air Force, or Marine Corps, shall not be deemed to be service in a reserve component: *Provided further*, That no person who was a member of a reserve component on or before August 15, 1945, shall be eligible for retirement benefits under this title unless he performed active Federal service during any portion of either of the two periods beginning April 6, 1917, and

Army of U. S. and
Air Force of U. S.
Retired Lists.

Publication.

Infra.

U. S. Naval Reserve
Retired List.

60 Stat. 26.
34 U. S. C. §§ 419-
419b, 419a-419c, 350i;
Supp. I, § 419i et seq.;
50 U. S. C. app. § 778;
Supp. I, § 778 note.
Retirement.

Reserve service re-
quirements.

Limitation.

PUBLIC LAWS—CH. 703—JUNE 29, 1948

[62 STAT.]

Computation of
service credit.

ending November 11, 1918, and beginning September 9, 1910, and ending December 31, 1916.

(b) Subsequent to the enactment of this Act, a year of satisfactory Federal service, for the purposes of this section only, shall consist of any year in which a person is credited with a minimum of fifty points, which points shall be credited on the following basis:

(1) One point for each day of active Federal service;

(2) One point for each drill or period of equivalent instruction, such drills and periods of equivalent instruction to be restricted to those prescribed and authorized by the Secretary of the respective service for the year concerned, and to conform to the requirements prescribed by other provisions of law;

(3) Fifteen points for membership in a reserve component for each year of Federal service other than active Federal service.

Post, p. 1090.

(c) Each year of service as a member of a reserve component prior to the enactment of this Act shall be deemed to be a year of satisfactory Federal service for the purposes of this section, subject to the provisions of subsection (e) of section 306 of this Act.

(d) Application for retirement with pay made pursuant to this section shall be submitted to the Secretary of the service in which the applicant last served or is serving at the time of such submission.

Retention after 60.

(e) Any person who, upon attaining the age of sixty years, has qualified for retirement with pay pursuant to this title, may, with his consent and by order of the cognizant Secretary, be retained on duty to perform Federal service. Any person so retained shall be credited with equivalent periods of Federal service for the performance of such duties.

Rate of retired pay.

SEC. 303. Any person granted retired pay pursuant to the provisions of this title shall receive such pay at an annual rate equal to 2½ per centum of the active duty annual base and longevity pay which he would receive if serving, at the time granted such pay, on active duty in the highest grade, temporary or permanent, satisfactorily held by him during his entire period of service, multiplied by a number equal to the number of years and any fraction thereof (on the basis of three hundred and sixty days per year) which shall consist of the sum of the following:

(i) All periods of active Federal service;

(ii) One day for each point credited pursuant to subparagraphs (2) and (3) of subsection (b) of section 302 of this Act, but no more than sixty days shall be credited on this basis in any one year for the purposes of this section:

Limitation.

Provided, That no person shall be entitled to receive such retired pay at an annual rate in excess of 75 per centum of said active duty pay:

Service credit.

Provided further, That for each year of Federal service, other than active Federal service, performed as a member of a reserve component prior to the date of enactment of this Act and credited in accordance with subsection (c) of section 302 of this title, such member shall be credited with fifty days for each of such years, for the purposes of this section.

Supra.

Standards and qual-
ifications for retention
or promotion.

SEC. 304. As soon as may be practicable after the effective date of this title, the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy shall, by regulations not inconsistent with this or any other Act, prescribe (a) appropriate standards and qualifications for the retention or promotion of members of reserve components of the Army of the United States, the Air Force of the United States, and the United States Navy and the Marine Corps, respectively, and (b) appropriate and equitable procedures under which the compliance by each member of each such reserve component

Best Available Copy

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with such standards and qualifications shall be determined periodically. Whenever any member of any such reserve component thereafter shall fail to conform to the standards and qualifications so prescribed he shall be transferred to an inactive reserve status if qualified for such status, retired without pay if qualified for such retirement, or his appointment or enlistment shall be terminated. Such action shall effect a termination of such person's right to accrue retirement benefits under this title but shall not affect any rights which have accrued prior to the time that such action shall have been taken with respect to such person: *Provided further*, That the Secretary of the Navy with respect to personnel of the Navy and Marine Corps, including the reserve components thereof, shall determine what has constituted, prior to the date of enactment of this title, satisfactory performance of Federal service other than active Federal service.

Procedure on non-conformance with standards.

Termination of retirement benefits.

Inapplicability of provisions.

SEC. 305. The provisions of this title shall not be applicable to any officer or enlisted person of the Regular or reserve components of the Army, Navy, Air Force, or Marine Corps who, prior to or subsequent to the date of enactment of this title, is entitled to receive, or is receiving under any other provision of law, retired pay for military or naval service, including retainer pay as a transferred member of the Fleet Reserve. No period of service otherwise creditable in determining the eligibility of any person to receive, or the amount of, any annuity, pension, or old-age benefit payable under any provision of law on account of civilian employment, in the Federal Government or otherwise, shall be excluded in such determination because such period of service may be included, in whole or in part, in determining the eligibility of such person to receive, or the amount of, any retired pay payable under this title.

SEC. 306. For the purposes of this title—

(a) The term "Federal service" shall be deemed to include all active Federal service and all service in a reserve component other than active Federal service, or both, except as provided in (e) and (f) below.

"Federal service."

(b) Satisfactory Federal service or Federal service satisfactorily performed, as used in this title in referring to Federal service herein mentioned, shall be deemed to mean that the person concerned shall have conformed to such standards and qualifications as may have been required of him.

(c) Service in a reserve component, as used in this title, shall consist of service in the following organizations, and shall be deemed to be Federal service for the purposes of this title—

- (1) the National Guard of the United States;
- (2) the National Guard while in the service of the United States;
- (3) the federally recognized National Guard prior to 1933;
- (4) a federally recognized status in the National Guard prior to 1933;
- (5) the Officers' Reserve Corps and the Enlisted Reserve Corps prior to the enactment of Public Law 460, Eightieth Congress, approved March 25, 1918;
- (6) the Organized Reserve Corps;
- (7) the Army of the United States without component;
- (8) the Naval Reserve and the Naval Reserve Force, excluding those members of the Fleet Reserve and the Fleet Naval Reserve transferred thereto after completion of sixteen or more years of active naval service;
- (9) the Marine Corps Reserve and the Marine Corps Reserve Force, excluding those members of the Fleet Marine Corps

Art. D. 87.

Reserve transferred thereto after completion of sixteen or more years of active naval service;

(10) the Limited Service Marine Corps Reserve;

(11) the Naval Militia who have conformed to the standards prescribed by the Secretary of the Navy; and

(12) the National Naval Volunteers;

(13) the Air National Guard;

(14) the Air Force Reserve (Officers or Enlisted sections);

(15) the Air Force of the United States without component;

and

(16) the Coast Guard Reserve.

"Active Federal service."

(d) The term "active Federal service" shall include all periods of annual training duty and all prescribed periods of attendance at such service schools as have been, or may be designated as such by the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force for their respective services, or by law, or any other period of time when ordered to active duty under competent Federal orders.

(e) With respect to personnel of the Army or the Air Force, service in the inactive National Guard or Air National Guard, in a non-federally recognized status in the National Guard or Air National Guard, or in an inactive Reserve section of the Officers' Reserve Corps or an inactive officers' section of the Air Force Reserve shall not be deemed to be Federal service.

(f) Subject to the provisions of subsection (d) hereof, service on the Honorary Retired List of the Naval and Marine Corps Reserves shall not be deemed to be Federal service.

Rules and regulations.

SEC. 307. The Secretary of the Army with respect to personnel of the Army, the Secretary of the Navy with respect to the personnel of the Navy and Marine Corps, and the Secretary of the Air Force with respect to personnel of the Air Force, are authorized to prescribe such rules, regulations, and procedures as they may deem necessary to effectuate the provisions of this title.

"Transfer to inactive status list."

SEC. 308. Any person who has not attained the age of sixty years but is eligible in all other respects to receive retired pay under the provisions of this title may, at his own request, and by the direction of the Secretary of the cognizant service, be transferred to such inactive status list as has been, or may be established by law or regulation for the reserve components of the Army of the United States, Navy, Air Force of the United States, or Marine Corps. After the effective date of such transfer he shall not be required to participate in any training or other program prescribed for said reserve components, and he shall not be entitled to be credited with either additional active Federal service or additional Federal service in a reserve component other than active Federal service for the purpose of this title while he is in an inactive status. Any such person may, in the discretion of the cognizant service Secretary, be recalled to active status at any time, and if so recalled, he shall be credited with active Federal service or Federal service in a reserve component other than active Federal service, or both for the performance of such duty.

Recall to active status.

Restriction.

SEC. 309. Service as a member of a reserve component shall be subject to the requirements of the military services and appropriations available therefor from time to time. No person shall be ordered to active Federal Service for the sole purpose of qualifying for retirement benefits under this title.

Back pay or allowances.

SEC. 310. No back pay or allowances for any period prior to the date of enactment thereof shall accrue to any person by reason of enactment of this title.

Applicability to Coast Guard Reserve.

SEC. 311. The provisions of this title, except as may be necessary to adapt the same thereto shall apply to personnel of the Coast Guard

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Reserve in relationship to the Coast Guard in the same manner and to the same extent as they apply to personnel of the Naval and Marine Corps Reserve in relationship to the Navy: *Provided*, That wherever authority is given to the Secretary of the Navy, similar authority shall be deemed to be given to the Secretary of the Treasury to be exercised with respect to the Coast Guard except at such time or times as the Coast Guard may be operating under the Secretary of the Navy.

SEC. 312. The provisions of this title shall become effective for each of the services concerned when directed by the cognizant Secretary, but not later than the first day of the seventh month following the date of enactment.

Effective date.

SEC. 313. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

Appropriation au-
thorized.

Approved June 29, 1948.

F. Legislative Summary, 1792-1952.

The legislative history of Reserve Forces Compensation evidenced gradual and progressive development from 1792 to 1952. Upon this foundation it has been possible for the Defense Department to execute precise entitlements of the Reserve Forces to compensation for (a) active duty, (b) active duty training, (c) inactive duty training, and (d) retirement. Further legislation must reflect basic changes in the Reserve Forces. In the past five years we detect a ground swell for major change.

RESERVE FORCES COMPENSATION

LEGISLATIVE REFERENCE MATERIAL

The enclosed list of reference material was used in the preparation of the History of Drill Compensation and may be found in the Army Library Division, Office of the Adjutant General, Room 1A518. There is a substantial amount of additional legislation relating to other aspects of reserve component management.

1. Statute I
May 2, 1792
P. 1792 Chap. XXVIII - An Act to provide for calling forth the Militia to execute the laws of the Union, suppress insurrections and repel invasions.
2. Statute I
May 8, 1792
P. 271 Chap XXXIII - An Act more effectually to provide for the National Defense by establishing an Uniform Militia throughout the United States.
3. Statute II
July 6, 1798
P. 576 Chap. LXV - An Act providing arms for the Militia throughout the United States
4. Statute II
March 2, 1803
P. 271 Chap. XV - An Act in addition to an act, intituled "An act more effectually to provide for the National defence, by establishing an uniform Militia throughout the United States.
5. Statute II
March 3, 1803
P. 215 Chap. XX - An Act more effectually to provide for the organization of the Militia of the District of Columbia
6. Statute I
April 10, 1806
P. 359 Chap. XX - An Act for establishing Rules and Articles for the government of the Armies of the United States.
7. Statute II
April 18, 1814
P. 134 Chap. LXXX - An Act in further addition to an act, entitled "An act more effectually to provide for the National Defense by establishing an uniform militia throughout the United States.
8. Statute II
April 18, 1814
P. 134 Chap. LXXXII - An Act in addition to the act, entitled "An act to provide for the calling forth the militia to execute the laws of the union, suppress insurrections, and repel invasions, and to repeal the act now in force for those purposes.
9. Statute I
April 20, 1816
P. 295 Chap. LXIV - An Act concerning field officers of the militia.
10. Statute I
May 12, 1820
P. 577 Chap. XCVII - An Act to establish an uniform mode of discipline and field exercises for the militia of the United States.
11. Statute II
March 2, 1821
P. 615 Chap. XIII - An Act to reduce and fix the military peace establishments of the United States.

12. Public Acts of 1893, Act 184 The Naval Militia Act of 1893, State of Michigan
13. 32 Stat 775 Jan 21, 1903 Pub No. 33 Chap 196 - An Act to promote the efficiency of the militia and for other purposes.
14. 24 Jan 1908 Regulations of the War Department governing THE ORGANIZED MILITIA
15. 35 Stat 399 May 27, 1908 Pub No. 145 S 4316 Chap 204 - An Act to further amend the Act entitled "An Act to promote the efficiency of the militia and for other purposes," approved January twenty-first, nineteen hundred and three.
16. 12 Mar 1910 Regulations of the War Department governing THE ORGANIZED MILITIA
17. 12 Jan 1911 Congressional Hearings. Committee on Militia, House of Representatives on Organized Militia.
18. 29 Jan 1912 Extracts from Report No 270, House of Representatives Committee on Military Affairs, 62nd Congress, 2nd Session on Army Appropriations Bill
19. 31 Dec 1914 Annual Report of Adjutant General of the National Guard of the Commonwealth of Massachusetts for the year ending 31 December 1914
20. 1916 Hearings before the Committee on Military Affairs, House of Representatives, 64th Congress (1915), on H.R. 12766 (National Defense Act)
21. 39 Stat 166 June 3, 1916 Pub No. 85 H.R. 12766 Chap 134 - An Act for Making further and more effectual provision for the national defense, and for other purposes (The National Defense Act)
22. 39 Stat 559 Aug 29, 1916 Pub No. 241 H.R. 15947 Chap 417 - An Act making appropriations for the naval force for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes
23. 1916 Army Pay Tables for 1916
24. 41 Stat 759 June 4, 1920 Pub Law 242 H.R. 12775 Chap 227 - An Act to amend an Act entitled 'An act for....more effectual provision for the national defense, and for other purposes June 3, 1916, and to establish military justice.

25. 42 Stat 625
June 10, 1922
Pub No 235
H.R. 10972
Chap 212 - An Act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.
26. 42 Stat 1021
Sep 22, 1922
Pub No. 358
S 3890
Chap 423 - An Act to amend an Act entitled "An Act for making further and more effectual provision for the national defense, and for other purposes," approved 3 June 1916, as amended by the Act of June 4, 1920
27. 42 Stat 625
Mar 4, 1923
H.R. 14077
Pub No 532
Chap 281 - An Act to extend the benefits of section 14 of the Pay Readjustment Act of June 10, 1922 to validate certain payments made to National Guard and reserve officers and warrant officers, and for other purposes.
28. 43 Stat 250
May 31, 1924
H.R. 4820
Pub No 171
Chap 224 - An Act to amend the Act entitled "An Act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard and Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922
29. 43 Stat 363
June 3, 1924
H.R. 8886
Pub No. 186
Chap 244 - An Act providing for sundry matters affecting the Military Establishment (Training and Pay of the National Guard)
30. 43 Stat 470
June 6, 1924
S. 2169
Pub No. 207
Chap 275 - An Act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes.
31. 42 Stat 1080
Feb 28, 1925
H.R. 9634
Pub No 512
Chap 374 - An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve
32. 45 Stat 500
May 12, 1928
H.R. 239
Pub No 370
Chap 529 - An Act to amend section 110 of the National Defense Act by repealing and striking therefrom certain provisions prescribing additional qualifications for National Guard State staff officers, and for other purposes.
33. 45 Stat 407
Apr 6, 1928
S. 2537
Pub No 240
Chap 322 - An Act to amend section 110, National Defense Act, so as to provide better administrative procedure in the disbursements for pay of National Guard officers and enlisted men.

34. 1930 Army Pay Tables for 1930
35. 12 May 1930 Comptroller General of the United States Decision A-31431 of 12 May 1930 on the subject of Multiple Reserve Training Periods
36. 52 Stat 1175
June 25, 1938
H.R. 10594
Pub No 732 Chap 690 - An Act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve
37. 1939 Extracts from "American Selective Service", prepared by the Joint Army and Navy Selective Service Committee - October 1939
38. May 17, 1940 Hearings before the Committee on Military Affairs, United States Senate, 76th Congress, 3d Session, on Administration of the National Guard, March 21st and May 17th, 1940
39. 54 Stat 858
Aug 27, 1940
S.J. Res 286
PubRes No 96 Chap 689 - Joint Resolution - To strengthen the common defense and to authorize the President to order members and units of reserve components and retired personnel of the Regular Army into active military service.
40. 54 Stat 1134
Oct 14, 1940
S. 3619
Pub No 852 Chap 675 - An Act relating to changes in the administration of the National Guard of the United States bearing on Federal recognition, pay, allotment of funds, drill, training, and so forth.
41. 55 Stat 626
Aug 18, 1941
S.J. Res 95
Pub Law 213 Chap 362 - Joint Resolution - To extend the periods of service of persons in the military service, and for other purposes.
42. 55 Stat 800
Dec 15, 1941
H.R. 3149
Pub Law 340 Chap 573 - An Act providing for the pay and allowances of retired officers of the Navy and Marine Corps on active duty.
43. 56 Stat 50
Feb 6, 1942
H.R. 5480
Pub Law 437 Chap 42 - An Act to provide pay for officers in accordance with the rank and grade in which they were inducted and served in the land forces.
44. 56 Stat 359
Jun 16, 1942
S. 2025
Pub Law 607 Chap 413 - An Act to readjust the pay and allowances of personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service

45. 60 Stat 343
Jun 29, 1946
H.R. 6084
Pub Law 474
Chap 523 - An Act to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.
46. 27 Jun 1947
Hearings before the Committee on Armed Services, United States Senate, 80th Congress, 1st Session on S-1174 INACTIVE TRAINING DUTY PAY of 27 June 1947
47. 62 Stat 90
Mar 25, 1948
S. 1174
Pub Law 460
Chap 157 - An Act to provide for inactive duty training pay for Organized Reserve Corps, to provide uniform standards for inactive duty training pay for all Reserve components of the armed forces, and for other purposes
48. 62 Stat
June 29, 1948
Pub Law 810
Entitlement to an age 60 retirement with pay of officers and enlisted personnel of the National Guard and Reserve Corps of the Army of the United States, the Reserve Component of the Air Force of the United States, the United States Naval and Marine Corps Reserve and the United States Coast Guard Reserve.
49. 1948-1965
Miscellaneous JAG ARMY decisions with back up material and comments for period 1948-1965 on the subject of Multiple Training Assemblies
50. 1949
Hearings before a Subcommittee of the Committee on Armed Services, House of Representatives, 81st Congress, 1st Session on H.R. 2553 (Career Compensation for the Uniformed Services) Feb-May 1949
51. 30 Jun 1948
Report by the Committee on Civilian Components to the Secretary of Defense of 30 June 1948 on "Reserve Forces for National Security" (Gray Report)
52. 63 Stat 802
Oct 12, 1949
H.R. 5007
Pub Law 351
Chap 681 - An act to provide pay, allowances, and physical disability retirement for members the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the reserve components thereof, the National Guard, and the Air National Guard, and for other purposes.
53. 66 Stat 481
Jul 9, 1952
H.R. 5426
Pub Law 476
Chap 608 - An act relating to the Reserve Components of the Armed Forces of the United States (Armed Forces Reserve Act of 1952)

54. 2 May 1955 Department of Defense Directive No. 1215.8 of
May 2, 1955 entitled Multiple Reserve Train-
ing Periods

55. 69 Stat 8 Chap 665 - An Act to provide for strengthening
Aug 9, 1955 of the Reserve Forces, and for other purposes.
H.R. 7000 (Rserve Forces Act of 1955)
Pub Law 305

56. Feb 1957 History of U.S. Military Policy on Reserve
Forces 1775-1957 by Eilene Galloway, Feb.
1957

57. 70A Stat 610 Chap 596 - Title 32 United States Code,
Aug 10, 1956 The National Guard

58. May 1960 Hearings before Subcommittee #3, of the
Committee on Armed Services, House of
Representatives, 86th Congress, 2d Session
on Review of the Reserve Program, May
11-25, 1960

59. 76 Stat 451 An Act to revise, codify, and enact Title 37
Sep 7, 1962 of the United States Code, entitled "Pay
H.R. 10431 and Allowances of the Uniformed Services."
Pub Law 86-649

60. 26 Feb 1963 Hearings before Committee on Armed Forces of
the House of Representatives, 88th Congress
1st Session, Feb 26, 1963 to consider
H.R. 3006 to amend Title 37, USC.

61. 78 Stat 999 An Act to clarify the status of members of the
Oct 3, 1964 National Guard while attending or instruct-
H.R. 2512 ing at National Guard Schools established
Pub Law 88-621 under the authority of the Secretary of the
Army or Secretary of the Air Force, as the
case may be, and for other purposes.

62. 82 Stat 849 An Act to authorize appropriations during the
Sep 20, 1968 fiscal year 1969 for procurement of aircraft,
S. 3293 missiles, naval vessels, and tracked combat
Pub Law 90-500 vehicles, research, development, test, and
evaluation for the Armed Forces, and to
prescribe the authorized personnel strength
of the Selected Reserve of each Reserve
component of the Armed Forces, and for other
purposes.

Footnote: Reserve Forces Compensation, First Quadrennial Review of Military
Compensation, 5 May 1969.

63. 82 Stat 755
Aug 13, 1968
S. 3865
Pub Law 90-486
An Act to clarify the status of National Guard Technicians and for other purposes. Commonly known as National Guard Technicians Act.
64. 83 Stat 204
Nov 19, 1969
S. 2546
Pub Law 91-121
An Act to authorize appropriations during FY 1970 for procurement and to prescribe the authorized personnel strength of the Selective Reserve of each reserve component of the Armed Forces and for other purposes.
65. 83 Stat 220
Nov 26, 1969
H.R. 14001
Pub Law 91-124
An Act to amend the Military Selective Service Act of 1967 to authorize modifications of the system of selecting persons for induction into the Armed Forces under this Act.
66. 84 Stat 16
Feb 26, 1970
H.R. 8664
Pub Law 91-199
An Act to authorize an increase in the number of flag officers who may serve on certain selection boards in the Navy and in the number of officers of the Naval Reserve and Marine Corps Reserve who are eligible to serve on selection boards considering reserves for promotion.
67. 84 Stat 326
June 25, 1970
S. 1479
Pub Law 91-291
An Act to amend Title 38 U.S. Code to authorize a maximum of \$15,000 coverage under Serviceman's Group Life Insurance to enlarge the classes eligible for such insurance, to improve the administration of the programs of life insurance provided for serviceman and veterans and for other purposes. Covered reservists while performing inactive and active duty.
68. 85 Stat 340
Aug 13, 1971
S. 2296
Pub Law 92-119
An Act to amend sections 107 and 709 of Title 32 U.S. Code relating to appropriations for the National Guard and to National Guard Technicians respectively. This Law limited Technician strength to 49,200 for FY 1972 and 53,100 thereafter.
69. 86 Stat 713
Sep 21, 1972
H.R. 2
Pub Law 92-426
An Act to establish a uniformed Services University of Health Science and to provide scholarships to selected persons for education in medicine, dentistry and other health professions and for other purposes.

70. 86 Stat 734
Sep 26, 1972
H.R. 15495
Pub Law 92-436
An Act to authorize appropriations for FY 1973 authorize personnel strengths active duty and reserve components.
71. 86 Stat 745
Sep 29, 1972
H.R. 7616
Pub Law 92-445
An Act to amend section 715 of Title 32 U.S. Code to authorize the application of local law in determining the effect of contributory negligence on claims involving members of the National Guard.
72. 86 Stat 794
Oct 9, 1972
H.R. 14891
Pub Law 92-479
An Act to amend Title 14 U.S. Code to authorize involuntary active duty for Coast Guard reservists for emergency augmentation of regular forces.
73. 86 Stat 1173
Oct 25, 1972
S. 3310
Pub Law 92-559
An Act to amend Title 10 U.S. Code to establish the authorized strength of the Naval Reserve in officers in the Judge Advocate Generals Corps in the grade of Rear Admiral and for other purposes.
74. 87 Stat 692
Dec 5, 1973
H.R. 9575
Pub Law 93-174
An Act to provide for the enlistment and commissioning of women in the Coast Guard Reserve and for other purposes.
75. 88 Stat 165
May 24, 1974
H.R. 6574
Pub Law 93-289
An Act to amend Title 38 U.S. Code to increase the maximum amount of Servicemen's Group Life Insurance to 20,000, to provide full time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to Veterans Group Life Insurance to authorize allotments from the pay of members of the National Guard of the United States for group life insurance premiums and for other purposes.
76. 88 Stat 177
May 31, 1974
H.R. 12670
Pub Law 93-294
An Act to amend Section 301 of Title 37 U.S. Code relating to incentive pay to attract and retain volunteers for aviation crew member duties and for other purposes.

RESERVE TRAINING/PAY CATEGORIES¹

RESERVE FORCES CATEGORY	TRAINING/PAY CATEGORY	COMPRISED OF	MINIMUM NUMBER OF PERIODS OF IDT REQUIRED ANNUALLY WITH PAY	NUMBER OF DAYS OF ADT REQUIRED ANNUALLY WITH PAY	REMARKS
SELECTED RESERVE (Units and individuals)	A	Units of the Selected Reserve	48	For Reserve: Not less than 14 exclusive of travel time. For Guard: 15 including travel time.	Units organized to serve as units upon mobilization.
	B	Individual members of the Selected Reserve	48	12 to 14 exclusive of travel time.	Individuals in units not organized to serve as units upon mobilization.
	C	Units and individual members of the Selected Reserve	24	12 to 14 exclusive of travel time.	
	F	Units and individual members of the Selected Reserve	12	12 to 14 exclusive of travel time.	
	P	Nonprior service personnel currently on initial active duty for training	0	Not less than 4 months.	
S-Unit T-Homunit G-Guard	M	Units and individual members of the Selected Reserve	36	12 to 14 exclusive of travel time.	
	P	Nonprior service personnel awaiting IADT (with pay)	N/A	0	
	D	Individual members of the Ready Reserve	0	Not more than 14 exclusive of travel time.	ADT may be performed with or without pay.
	E	Individual members of the Ready Reserve	0	Not more than 30.	ADT may be performed with or without pay.
	H	Individual members of the Ready Reserve	0	0	May perform voluntarily with units of the Selected Reserve, enroll in correspondence courses, or participate in other nonpaid IDT for retirement points only.
INDIVIDUAL READY RESERVE (IRR)	I	Inactive Army National Guard	0	0	
	J	Members of the Ready Reserve participating in officer training programs	0	As required by the officer training program.	
	K	Members participating in the Armed Forces Health Scholarship program	0	45	
	L	Nonprior service personnel awaiting IADT (without pay)	0	0	
	G	Key federal officers and employees in the Standby Reserve (Active Status List)	0	0	May perform voluntarily for retirement points and affiliate for this purpose with units of the Selected Reserve.
ACTIVE STATUS	N	Other members of the Standby Reserve on the Active Status List	0	0	
INACTIVE STATUS	I	Members of the Standby Reserve on the Inactive Status List	0	0	No training or pay authorized.

INACTIVE DUTY TRAINING (IDT)
DRILL ATTENDANCE FY 1975

	<u>Training Hours</u>		<u>Numbers Performing</u>	
	<u>MUTA</u>	<u>Ind Drill</u>	<u>MUTA</u>	<u>Ind Drill</u>
<u>Army National Guard</u>	<u>15.1¹</u>	<u>4.7</u>	<u>315,618</u>	<u>43,856</u>
<u>Army Reserve</u>				
Pay	<u>8.0</u>	<u>4.0</u>	<u>177,046</u>	<u>44,262</u>
Non-Pay	<u>8.0</u>	<u>4.0</u>	<u>5,669</u>	<u>--</u>
<u>Naval Reserve</u>				
Pay	<u>8.0</u>	<u>4.0</u>	<u>80,118</u>	<u>30,865</u>
Non-Pay	<u>8.0</u>	<u>3.0</u>	<u>7,680</u>	<u>5,148</u>
<u>Marine Corps Reserve</u>				
Pay	<u>8.0</u>	<u>4.0</u>	<u>28,579</u>	<u>583</u>
Non-Pay	<u>8.0</u>	<u>4.0</u>	<u>1,471</u>	<u>523</u>
<u>Air National Guard</u>	<u>8.0</u>	<u>-0-</u>	<u>90,167</u>	<u>-0-</u>
<u>Air Force Reserve</u>				
Pay - Unit	<u>8.0</u>	<u>-0-</u>	<u>52,145</u>	<u>-0-</u>
Pay - Non-Unit	<u>8.0</u>	<u>4.0</u>	<u>3,446</u>	<u>654</u>
Non-Pay	<u>8.0</u>	<u>4.0</u>	<u>603</u>	<u>2,044</u>
TOTAL DoD	<u> </u>	<u> </u>	<u>762,542</u>	<u>127,935</u>
<u>Coast Guard Reserve</u>				
Pay	<u>8.5</u>	<u>4.2</u>	<u>11,183</u>	<u>485</u>
Non-Pay	<u>8.1</u>	<u>4.1</u>	<u>176</u>	<u>152</u>
TOTAL Reserve			<u>773,901</u>	<u>128,572</u>
Percent			85.8	14.2

¹ 66% of MUTA's are part of 36 "MUTA-4" spent in field environment per FORSCOM Reg. 350.2. "MUTA-4" are two consecutive MUTAs (e.g., one MUTA on a Saturday and one MUTA on Sunday of the same weekend).

Source: Replies of Assistant Service Secretaries (M&RA) to DASD(MPP)
Memorandum dated 8 December 1975, Subject: Data Requirements for
Review of Reserve Forces Compensation.

TAB F

RESERVE FORCES COMPENSATION
FY 1975
BUDGET EXPENDITURES

(\$ thousands)

	<u>AMT</u>	<u>PERCENT</u>
<u>Active Duty Training (ADT)</u>		
School Training	\$ 64,543	3.6
Special Training	83,226	4.7
Other ADT	454,815	25.6
Sub Total	(\$602,584)	(33.9)
<u>Inactive Duty Training (IDT)</u>	\$856,978	48.2
Clothing	47,926	2.7
Subsistence	58,091	3.3
Title III Retirement	212,903	12.0
TOTAL	\$1,778,482	100.1 ¹
 Estimated FICA		
5.85% of 75% (ADT)		
451,938 x 5.85%	\$26,438	1.5 (of TOTAL)

1 Rounding variance of %0.1.

Source: 1. FY 1975 actual expenditures extracted from FY 77 DoD Budgets
Reserve Components
2. Table 5e page 123, Title 37 U.S.C.

FISCAL YEAR 1975 RESERVE FORCES DIRECT PROGRAM¹

(\$ thousands)

Category	Total	ADT		IDT		CLOTHING		TRAVEL		SIK
		Officer	Enlisted	Officer	Enlisted	Officer	Enlisted	Officer	Enlisted	
Army Guard										
A	\$ 520,698	\$27,417	\$110,268	\$69,268	\$270,187	\$668	\$12,653	\$953	\$4,740	\$24,544
F	75,326	--	55,878	--	1,459		6,707		4,902	7,839
P	1,819						238		--	122
School	29,476	16,085	5,973			90		4,632	1,907	786
Special	24,093	9,514	12,172					1,475	932	
Army Reserve										
A	335,165	28,536	55,462	78,927	140,058	383	8,287	2,546	11,440	9,526
D	21,554	7,902	7,434			2	505	2,667	2,946	98
F	31,714	--	23,000			--	3,692	--	2,541	2,481
School	26,548	16,179	2,529			576	4	6,156	903	201
Special	32,624	19,068	7,795			8	1	4,132	1,140	480
Naval Reserve										
A	151,050	10,352	21,542	30,546	71,483	248	4,208	2,297	7,305	3,069
B	14,124	3,323	525	7,686	1,532	185	215	520	80	78
D	9,900	1,553	19			6		316	3	2
F	8,968	6,648					732		644	944
School	1,676	875	328					351	88	34
Special	3,906	2,654	402					741	99	10
Marine Corps										
A	40,154	2,225	7,301	6,095	18,095	11	893	465	2,812	2,257
C	15	7						3		
D	871	551	40					229	50	1
F	13,928	9,888					1,563		951	1,526
P	82	66					6		10	
School	735	360	151				1	121	96	6
Special	2,200	1,311	217					550	120	2
Air National Guard										
A	158,759	10,292	30,685	34,934	74,269	175	3,215	908	1,998	2,283
F	9,017	6,974					900		648	495
P	90	78					3		9	
School	13,174	7,073	3,547			24	13	1,368	1,048	101
Special	17,728	9,453	6,078					1,238	959	
Air Force Reserve										
A	68,123*	5,633	11,476	19,717	27,717	105	807	863	1,000	805
B	9,225	3,059	412	4,436	517	27	27	589	145	15
D	1,276	977	62	--	--	15	4	198	21	198
F	6,696	5,230				--	676	--	453	336
P	75	--	--	47	--	--	25	--	--	2
School	13,702	6,381	5,062	--	--	16	2	1,001	1,210	29
Special	18,535	8,233	6,329	--	--	6	--	1,947	2,020	
TOTALS ²	\$1,655,026	\$205,661	\$396,923	\$251,614	\$605,364	\$2,545	\$45,381	\$36,266	\$53,181	\$58,091

TAB H

1 FY 1977 Reserve Forces Budgets.

2 Budget for Title III retirement is not included in Totals

* Includes \$653 (thousand) for Pay, Allowances, and Travel of AFR officers assigned to Selective Service.

**RESERVE FORCES COMPENSATION
IDT SUBSISTENCE
(FY 1975)**

	GOVERNMENT FACILITIES					MEAL TICKETS				
	Officer		Enlisted			Enlisted				
	Number	Percent	Average Cost	Number	Percent	Average Cost	Number	Percent	Average Cost	
<u>Army National Guard</u>	896,223	99	1.44	10,247,894	99	1.44	118,350	1.0	2.15	
<u>Army Reserve - Pay</u>	172,260	99	1.46	4,134,240	99	1.46	28,358	1.0	2.25	
Non-Pay		None								
<u>Naval Reserve - Pay</u>		None		735,882	45	1.00	856,410	.54	1.95	
Non-Pay		None		14,127	52	1.09	2,173	.08	2.25	
<u>Marine Corps Reserve - Pay</u>		None								
Non-Pay		None								
<u>Air National Guard</u>	143,617	52.4	.94	909,792	48.3	1.32	None			
<u>Air Force Reserve - Pay-Unit</u>		None		74,000	11.5	86	4,916	.08	2.75	
Pay-Non-Unit		None								
Non-Pay		None								
DoD Total Cost		\$1,677,059		\$22,808,804			\$2,006,666			
<u>Coast Guard Reserve - Pay</u>		None		5,689	62	1.46	3,474	38.0	1.93	
Non-Pay		None		93	40	1.46	142	60.0	1.94	

Source: Replies of Assistant Service Secretaries (M&RA) to DASD(MPP) memorandum dated 5 December 1975, Subject: Data Requirements for Review of Reserve Forces Compensation.

	OFFICER			ENLISTED		
	Government		Contract	Government		Contract
	Number	Average Cost	Number	Average Cost	Number	Average Cost
<u>Army National Guard</u>			<u>ARMORY OR FIELD QUARTERS ONLY</u>			
<u>Army Reserve</u>			<u>ARMORY OR FIELD QUARTERS ONLY</u>			
<u>Naval Reserve</u>	28,098	\$ 2.50	80	\$ 8.00	117,104	\$ 1.10
At Sea	500	0.50			4,450	.50
<u>Marine Corps Reserve - Armory</u>	3,975	2.50		-0-	46,301	1.10
Field	4,281	0.50		-0-	59,073	.50
<u>Air National Guard</u>	1,172	2.00	3,353	10.00	10,241	2.00
<u>Air Force Reserve</u>	29,068	2.00	7,500	9.00	55,328	2.00
DoD Total Cost		<u>\$143,053</u>		<u>\$101,670</u>		<u>\$342,645</u>
Coast Guard Reserve						<u>\$577,194</u>
			NOT APPLICABLE			

Source: Replies of Assistant Service Secretaries (M&RA) to DASD(MPP) memorandum dated

5 December 1975, Subject: Data Requirements for Review of Reserve Forces Compensation.

**QRMIC INTERNAL
WORKING PAPER**

18 May 1976

TOTAL MILITARY COMPENSATION DISPLAY

FY 1976 FORCE, LATEST AVAILABLE COSTS
(\$ Millions)

<u>Element</u>	<u>Cost</u>		<u>Value</u>	
	<u>\$</u> <u>Amount</u>	<u>% of</u> <u>Total</u>	<u>\$</u> <u>Amount</u>	<u>% of</u> <u>Total</u>
I. Salary Payments				
Basic Pay	<u>\$15,518.9</u>	51%	<u>\$15,518.9</u>	49%
Subsistence (Total)	<u>1,869.5</u>	6	<u>1,869.5</u>	6
BAS	<u>1,108.9</u>		<u>1,108.9</u>	
In-Kind	<u>760.6</u>		<u>760.6</u>	
Quarters (Total)	<u>2,932.1</u>	10	<u>2,932.1</u>	9
BAQ	<u>1,786.0</u>		<u>1,786.0</u>	
In-Kind-Family Housing	<u>964.8</u>		<u>964.8</u>	
In-Kind-Troop Housing	<u>181.3T</u>		<u>181.3T</u>	
Federal Tax Advantage	<u>1,191.5</u>	<i>H</i>	<u>1,191.5</u>	4
Military Equivalent Salary	<u>21,512.0</u>	71	<u>21,512.0</u>	68
Less Military Absences	<u>(2,106.0)</u>	(7)	<u>(2,106.0)</u>	(7)
Basic Salary Payments	<u>19,406.0</u>	63	<u>19,406.0</u>	61
Special Salary Payments	<u>662.7</u>	2	<u>662.7</u>	2
(Attachment 1)				
Total Salary Payments	<u>20,068.7</u>	66	<u>20,068.7</u>	63
II. Major Compensation Benefits				
Military Estate Program				
Total ¹	<u>5,921.7</u>	20	<u>5,921.7</u>	19
Retirement Annuity	<u>4,939.6</u>		<u>4,939.6</u>	
Survivor Benefit Program	<u>117.0</u>		<u>117.0</u>	
Social Security Retirement				
Annuity	<u>734.8</u>		<u>734.8</u> ²	
Death Gratuity	<u>9.1</u>		<u>9.1</u>	
D. I. C.	<u>121.2</u>		<u>121.2</u>	
Health Care	<u>1,025.0</u>	3	<u>1,930.0</u>	6
Health Care Accrual ¹	<u>269.0</u>	1	<u>672.0</u>	2
Annual Leave Taken	<u>1,371.9</u>	5	<u>1,371.9</u>	4
Medical Absences	<u>362.6</u>	1	<u>362.6</u>	1
Holidays	<u>371.5</u>	1	<u>371.5</u>	1
Total Major Compensation				
Benefits	<u>9,321.7</u>	31	<u>10,629.7</u>	34

¹=Tentative valuation; minor adjustments to aggregate valuation computations in progress. Will result in minor adjustment to tax advantage valuation as well.

TAB K

(\$ Millions)

<u>Element</u>	<u>Cost</u>		<u>Value</u>	
	<u>\$</u> <u>Amount</u>	<u>% of</u> <u>Total</u>	<u>\$</u> <u>Amount</u>	<u>% of</u> <u>Total</u>
III. Premium Pays (Attachment 2)	502.7	2	502.7	2
IV. Other Compensation Benefits ³				
Commissary and Exchanges	--		--	
Separation and Severance Pays	122.4		122.4	
Unemployment Compensation	195.0		195.0	
F.S.A. Type II ⁴	19.0		19.0	
Education Assistance (Non- Service Related)	22.2		22.2	
FHA Mortgage Insurance	3.1		3.1	
GI Bill Housing	1.0		1.0	
Total Other Compensation Benefits	362.7	1	362.7	1
V. Total Compensation	\$30,255.8	100%	\$31,608.8	100%

¹ Normal costs based on economic assumptions of: (a) 6% Interest Rate; (b) 3% Pay Growth and (c) 4% CPI growth which results in a retired pay growth of 5.2%.

² Government FICA contribution. Work is in progress to develop objective value for the social security annuity.

³ No cost or value based upon a current budget decision to eliminate Appropriated Fund Support to Commissaries. Appropriated Fund Support to Exchanges are minimal. The estimated figures from 1974 data are as follows

<u>Item</u>	<u>Cost</u>	<u>Value</u>
Commissary	\$92-107	\$409.5
Exchange	0-8.0	659.0
Comm/Exch Accrual	52.6	311.2

The consumption advantage or value to the member results from four aspects of these operations: Appropriated Fund Subsidy; Limited Service/Operating Standards; Co-op Nature of Operation; and Minimal Profit Policy. The latter three elements are found in both the public and private sectors to a varying degree. Consumption advantage produced by these three elements is not normally considered compensation in the private or public sectors. In addition, the consumption advantage of exchanges is depressed by markup policies to generate profit to supply funds to Military Welfare and Recreation program. In FY 1974 this amounted to \$111 million. Caution is therefore suggested if the total value is used for comparison purposes.

⁴ Currently categorized by Coordination Committee as a compensation benefit "FB". QRM Staff analysis in progress indicates more appropriate categorization is non-compensation benefit "NB".

SPECIAL SALARY PAYMENTS
(\$Millions)

<u>Element</u>	<u>Cost</u>	<u>Value</u>
Aviation Career Incentive Pay	\$204.0	\$204.0
Special Pay (Health Profession)	118.3	118.3
Continuation Pay (Nuclear)	4.1	4.1
Reenlistment Bonus	217.7	217.7
Enlistment Bonus	75.5	75.5
Proficiency Pay (SDA)	42.3	42.3
Other Special Pays	<u>.8</u>	<u>.8</u>
Total Special Salary Payments	\$662.7	\$662.7

PREMIUM PAYS
(\$Millions)

<u>Element</u>	<u>Cost</u>	<u>Value</u>
Fly Pay (Crew & Nor-Crew)	\$ 33.2	\$ 33.2
Submarine Duty Pay	24.6	24.6
Parachute Pay	20.6	20.6
Sea Pay	29.1	29.1
Duty at Certain Places	32.4	32.4
Diving Duty Pay	4.0	4.0
Demolition Duty Pay	2.5	2.5
Other Premium Pays	6.3	6.3
Pay for Unused Accrued Leave ¹	<u>350.0</u>	<u>350.0</u>
Total Premium Pays	\$502.7	\$502.7

¹ HR 9573 proposes to place enlisted accrued leave payments on the same pay and allowances basis as officer payments. This would change the compensation cost and value to \$431.7 million.

RESERVE FORCES COMPENSATION
UNIFORMS AND ADMINISTRATIVE DUTY PAY
(FY 1975)

	UNIFORMS				ADMIN DUTY PAY	
	Officer Number	Amount (\$50)	Cat A	Enlisted Cat B	Number	Amount
<u>Army National Guard</u>	4,800	\$240,000	33.47	--	5,656	\$1,248,000
<u>Army Reserve (AR)</u>	1,425	285,000	44.33	--	N/A	528,765
<u>Naval Reserve</u>	6,040	302,000	30.12	30.12	1,713	200,000
<u>Marine Corps Reserve</u>	220	11,000	33.88	--	236	51,311
<u>Air National Guard (ANG)</u>	2,868	143,400	18.00	--	277	45,000
<u>Air Force Reserve (AFR)</u>	2,354	117,700	26.50	25.96	257	43,000
<u>DoD TOTAL</u>	17,707	\$1,099,100	--	--		\$2,116,076
<u>Coast Guard Reserve</u>	61	3,050	1.52	2.27	NOT APPLICABLE	
Officer in-kind Uniform Replacement	ANG	\$375,000				
	AFR	63,000				
	AR	(Data Pending)				
Total in-kind		\$438,000				

Source: Replies of Assistant Service Secretaries (M&RA) to DASD(MPP) memorandum dated

8 December 1975, Subject: Data Requirements for Review of Reserve Forces Compensation.

DOD MANPOWER STRENGTH
RESERVE RECALLS 1950-1968

<u>KOREAN CONFLICT - June 1950-July 1953</u>	<u>Army</u>	<u>Navy</u>	<u>Marine Corps</u>	<u>Air Force</u>
Active duty strength, 30 June 1950	593,000	382,000	74,000	411,000
Reserve recall	(383,300)	(274,563)	(98,229)	(182,287)
Maximum active duty strength	1 569,000	824,000	249,000	983,000

LEBANON INTERVENTION - July-October 1958

Active duty strength, 30 June 1958	899,000	641,000	189,000	871,000
Reserve recall	000	000	000	000
Maximum active duty strength	902,000	641,000	189,000	871,000

BERLIN CRISIS - July 1961-August 1962

Active duty strength, 30 June 1961	859,000	627,000	177,000	321,000
Reserve recall	(113,000)	(8,000)	000	(27,000)
Maximum active duty strength	1,092,000	672,000	193,000	885,000

THAILAND INTERVENTION - May-November 1962

Active duty strength, 30 April 1962	1,081,000	671,000	189,000	839,000
Reserve recall	000	000	000	000

ODASD(RA)
23 July 1969

DOD MANPOWER STRENGTH -- CRISES. 1950-1968
(Cont'd)

<u>CUBA CRISIS - October 1962</u>	<u>Army</u>	<u>Navy</u>	<u>Marine Corps</u>	<u>Air Force</u>
Active duty strength, 30 September 1962	963,000	663,000	192,000	870,000
Reserve recall	000	000	000	(14,000)
Maximum active duty strength	963,000	663,000	192,000	884,000

DOMINICAN REPUBLIC INTERVENTION - April 1965

Active duty strength, 30 April 1965	957,000	669,000	189,000	830,000
Reserve recall	000	000	000	000

VIETNAM CONFLICT - July 1965 -

Active duty strength, 30 June 1965	968,000	671,000	190,000	822,000
Reserve recall (in units)	* 19,107	1,538	000	16,277
Maximum active duty strength, 30 June 1966	1,199,046	744,469	261,687	885,350

*Includes 1,692 recalled as individuals



Personnel Management— Policies and Practices *Report Bulletin 19*

Volume XXIII

February 24, 1976

Englewood Cliffs

Prentice-Hall

New Jersey

P-H Survey: Leave Policies for Summer Reservists And National Guardsmen

Personnel execs face special scheduling problems during the summer: In addition to coordinating vacation arrangements, plans must be made to cover Reservists and Guardsmen who need time off to attend summer training camp. How will you handle Reserve leave scheduling? Many factors have to be considered: How will you compensate these employees? What's the maximum time for which you'll continue to pay? What if Reservists and Guardsmen are called up for emergency duty at other times during the year?

The P-H research staff surveyed more than 200 companies to determine their policies on summer training leaves. One finding: Better than two-thirds of the companies pay employees on summer training leave either full or partial salary (in addition to any vacation pay).

P-H Survey: Leave Policies for Summer Reservists And National Guardsmen

[176] Summertime is vacation season for many of your employees; but for employees who are Reservists or National Guardsmen it's also the season for annual training camp leave. How will your company handle these military leaves? If you have no set policy or intend to reshape your old one, now's the time to get in gear. Some factors to consider:

► How will you compensate these employees when they're at training camp? Continue their regular salary? Make up the difference between their regular and military pay? Or treat summer training as unpaid leave time?

► If you're going to compensate them, what's the maximum time you'll continue to pay?

► Will pay policies for employees differ according to job classification? Will length of service be a consideration?

► Will you encourage Guardsmen and Reservists to schedule their vacations to coincide with summer camp duty? (Remember: Federal law prohibits your *requiring* employees to do this! See box on page 237.)

► What if these employees are called for emergency duty *in addition* to their two-week summer training leave?

The P-H research staff surveyed military leave policies at 238 companies (150 plants, 34 offices, 40 hospitals and 14 banks). Here are the findings to help you choose the best policy for your company.

P-H Chart I: Pay Policies for Summer Reservists' Leave

N-2

<i>Pay Policies</i>	<i>Plants</i>	<i>Offices</i>	<i>Banks</i>	<i>Hospitals</i>
Company pays only regular vacation pay; leave time is unpaid	34.6%	20.6%	21.4%	50.0%
Company pays difference between salary and military pay in addition to paid vacation	52.0	55.9	70.0	45.0
Company pays full salary in addition to paid vacation	4.7	20.6	28.6	5.0
Other policy	8.7*	2.9*	—	—

<i>Maximum Time for Which Companies Continue to Pay (breakdown of companies paying employees on reserve leave)</i>				
One week	1.6%	5.0%	9.1%	—
Two weeks	70.3	60.0	72.7	86.7%
Three weeks	9.4	5.0	—	—
Four or more weeks	14.0	15.0	—	6.6
Other time limitations	4.7†	15.0†	18.2†	6.7†

*Most of these firms have different policies for salaried and hourly employees.

†Most of these firms have no specific limit (as long as employee's duty lasts); or have odd number of days as a limit.

Most companies pay for camp leave. More than two-thirds of the firms pay employees on summer training leave either full or partial salary in addition to any vacation pay. This includes approximately 4 out of 5 banks, 3 out of 4 offices and half the hospitals and plants. (See P-H Chart I.)

➤ **MOST MAKE UP THE DIFFERENCE** → Better than half the respondents pay on-leave Reservists and Guardsmen the difference between their regular salaries and their military pay. Full salary payments are significantly less popular: overall, about 15% of the firms follow that policy, but there's wide variation from industry to industry. Banks, for example, are most likely (28.6%) to pay full salary for military leave. Although 20.6% of the offices follow the same practice, only about 5% of the plants and hospitals do.

Job classification rarely a consideration. Approximately 8% of the plants and 3% of the offices take job classification into account when setting down leave policy. Of those firms that have different policies for different employees, the norm is to continue full or partial pay for exempt and salaried employees but to provide no compensation for hourly and nonexempt workers.

➤ **IS LENGTH OF SERVICE A FACTOR?** → No, report the majority of firms. In all, a little more than 15% have some length of service requirement for military leave pay. This includes about 28% of the banks, 16% of the plants, 10% of the hospitals and 6% of the offices. *Breakdowns:* Of the 15% with length of service provisions, half require one year of service; 27% require 6 months; 20%, 3 months; and 3% mention other length of service requirements.

Here are some examples reflecting the effect of job classification and length of service requirements on training leave pay:

- "Eligibility for reserve leave pay is dependent on completion of probationary period" (Hospital)
- "If with the company six months prior to leave, salaried employees receive full pay; hourly receive difference between regular and military pay." (Yarn manufacturer)
- "At least one year's service." (Bank)
- "Company pays difference for office employees only, after one year of service." (Machine tool manufacturer)

P-H Chart II: Pay Policies for Reservists in Case of Emergency Call-Up

	Plants	Offices	Banks	Hospitals	N-3
Pay full salary in addition to military pay	8.0%	14.7%	21.4%	2.5%	
Pay difference between military and regular pay	33.3	35.3	28.6	27.5	
Treat emergency call-ups as unpaid leaves	19.3	14.7	—	25.0	
At present, have no policy regarding emergency call-ups	34.7	29.4	42.9	45.0	
Have some other policy on pay for emergency call-up	4.7*	5.9*	7.1*	—	

*Most of these firms have different policies for salaried and hourly employees.

Two weeks the pay limit at most firms. Of the firms that compensate Guardsmen and Reservists for summer training, better than 3 out of 5 limit payments to two weeks. Hospitals are most inclined to set two-week limits (86.7%), followed by banks (72.7%), plants (70.3%) and offices (60%). Other time limitations enforced by the firms: 4% pay for one week only; 3.5% have a three-week maximum; and better than 8% pay either full or partial salaries for one-month leaves. The remaining firms have other plans to cover length of time employees will be compensated. Examples:

- "Anything within reason." (Holding company)
- "We will pay for the initial two-week enlistment in the Reserves. Any duty after that is considered voluntary and company pays nothing." (Manufacturer)
- "We pay the difference between regular salary and military pay for 17 days." (Arms manufacturer)

➤ **WHAT ABOUT YEAR-ROUND EMERGENCY CALL-UPS?** ➔ Summer's not the only time Reservists and Guardsmen may need to be away from work—they could be called up whenever civil disorders, natural disasters or other emergencies occur. What's the policy at your company for handling these sudden and unforeseen call-ups? A number of the surveyed firms treat call-ups as they would summer training camp leaves, but a surprising percentage of firms (38%) have no set policy on this. (See P-H Chart II.) Other responses: Over one-third pay the difference between regular and military pay for the duration of these unplanned leaves; less than one-fifth treat it as unpaid leave; and approximately 1 in 10 pays the employee's full salary.

Here are some policies covering sudden call-ups:

- "Company pays difference between regular and military pay for a maximum of 30 scheduled work days." (Manufacturer)
- "Handle it as it occurs." (Wholesale company)
- "Leave of absence given without pay." (Hospital)
- "Leave with full pay granted, not to exceed one month per year." (Office)

Do employers prefer that training coincide with vacation time? No preference, say more than 3 in 4 respondents. In all, only 21% reported they prefer Reservists take their vacations to coincide with summer camp leave. One-fourth of the plants and hospitals expressed this preference as did 1 in 5 offices, but only 1 out of the 7 banks. (Remember: According to federal law, an employer can't *require* an employee to take vacation time for summer military duties. See box.)

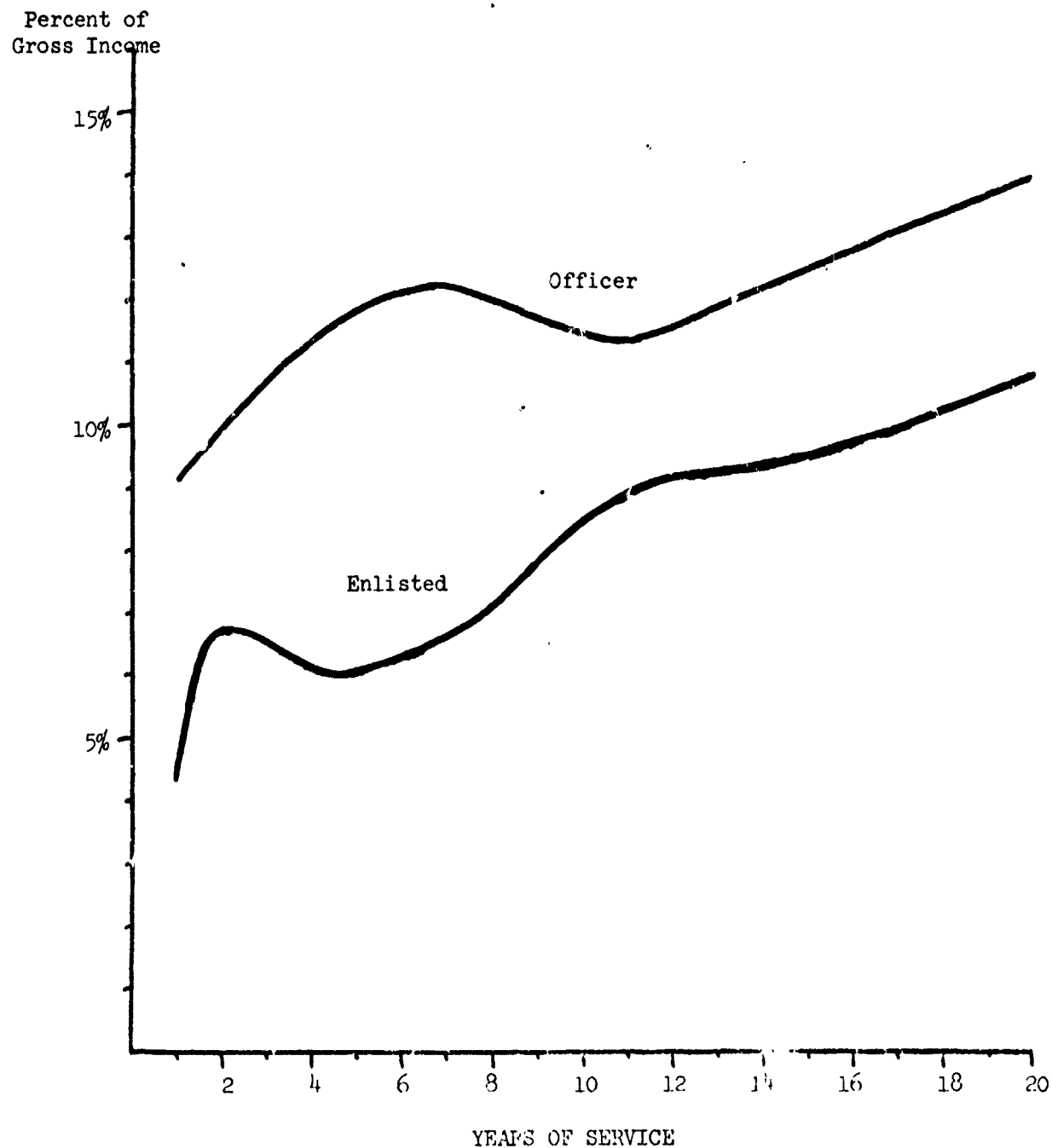
➤ **LEAVE AND VACATION OFTEN SCHEDULED TOGETHER** ➔ Even when employers express no preference about combining military leave with vacation time, employees often *do* schedule the two to coincide, report over one third of the firms. This is common practice among employees at firms that treat summer training as unpaid time off.

➤ **TAKE NOTICE: IMPORTANT TAX CONSIDERATION** ➔ Pay to Reservists and Guardsmen on leave is treated as wages and is subject to Social Security, federal unemployment tax, and income tax withholding [Rev. Rul. 68-238, CB 1968-1, 420].

DRILL PAY AS A PERCENTAGE OF GROSS INCOME

AVERAGE READY RESERVIST

(1969)



Special Assistant, ODASD(MPP)
June 1969

TAB O

TEN YEAR SUMMARY OF ACTUAL ENLISTMENTS IN THE SELECTED RESERVE

	FY 1967	FY 1968	FY 1969	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975	THRU DEC FY 76
<u>ARNG</u>										
Non-Prior Service	45,113	23,726	43,003	104,464	52,425	46,853	27,300	28,097	33,672	17,081
Prior Service				17,904	13,133	37,856	41,119	74,957	55,700	28,720
<u>Total</u>				122,368	65,558	84,749	68,419	103,044	89,432	45,804
<u>USAR</u>										
Non-Prior Service	23,400	17,684	48,511	44,459	30,175	15,529	9,403	8,338	18,237	8,263
Prior Service				9,643	8,029	16,410	27,052	49,209	41,780	12,520
<u>Total</u>				54,102	38,204	31,939	36,455	48,527	60,017	21,053
<u>USNR</u>										
Non-Prior Service	1,825	1,783	1,527	1,375	3,356	14,931	19,355	2,205	3,037	1,876
Prior Service				42,373	65,687	67,305	25,772	30,974	24,076	15,118
<u>Total</u>				43,748	69,043	82,236	45,127	33,179	27,113	17,054
<u>USMCR</u>										
Non-Prior Service	7,429	6,206	6,600	8,093	7,426	6,770	8,274	3,520	7,340	3,396
Prior Service				2,719	15,444	12,653	3,042	4,070	5,940	2,431
<u>Total</u>				10,812	22,870	19,423	11,316	7,590	13,280	5,827
<u>ANG</u>										
Non-Prior Service	8,991	9,076	9,817	11,353	4,849	7,873	4,139	2,421	4,353	1,857
Prior Service				3,665	4,038	6,945	9,006	14,952	12,954	5,614
<u>Total</u>				15,018	8,887	14,818	13,145	17,373	17,307	7,471
<u>USAFR</u>										
Non-Prior Service	4,357	4,342	3,426	7,617	4,496	3,305	1,610	1,543	1,610	1,027
Prior Service				6,934	7,644	8,255	12,466	14,844	12,496	3,362
<u>Total</u>				14,551	12,140	11,560	14,076	16,387	14,106	4,389
<u>Total DoD</u>										
Non-Prior Service	96,292	61,850	112,055	170,362	102,727	95,201	70,081	46,114	53,249	33,500
Prior Service				85,239	113,575	149,550	118,477	160,986	152,916	63,165
<u>Total</u>				255,601	216,302	244,751	188,558	227,100	206,165	96,665
INDUCTIONS	253,200	339,596	265,326	206,774	156,206	27,033	35,678	0	0	

NOTE: Prior service enlistments for years prior to FY 1970 are not available.

ODASD(RA)

NPS MALE ACCESSIONS BY MENTAL CATEGORY **TOTAL SELECTED RESERVE**

<u>MENTAL CATEGORY</u>	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>DEC 75</u>
I	NUMBER 31,006 PERCENT 17.4	17,293 17.3	10,273 12.5	5,158 10.0	1,780 4.6	1,499 3.0	717 2.9
II	NUMBER 80,739 PERCENT 45.2	40,999 41.0	31,312 38.1	15,963 31.0	7,961 20.6	10,979 22.2	5,408 22.2
III	NUMBER 58,964 PERCENT 33.0	34,696 34.8	34,054 41.4	22,729 44.1	18,150 47.0	26,848 54.2	14,673 60.3
IV	NUMBER 8,065 PERCENT 4.4	6,892 6.9	6,545 8.0	7,682 14.5	10,736 27.8	10,181 20.6	3,533 14.6

Source: ODASD(RA)

STRENGTH - FY 1976

	Army		Navy	USMC	Air Force	
	Col. 2	Col. 1			Col. 2	Col. 1
	ARNG	USAR	USNR	USMCR	ANG	USAFR
						Total
A. Authorized Man-Year Average (Congressional Floor PL94-106)	400,000	219,000	106,000	32,481	94,879	51,789
B. Latest Month: October 1975						
1. Cumulative Actual Average	390,571	222,449	98,824	31,326	93,873	50,762
2. Percent of Authorized Average	97.6	101.6	93.2	96.4	98.9	98.0
3. Net Over/Short Auth. Average	- 9,429	+ 3,449	- 7,176	- 1,155	- 1,006	- 1,027
C. Actual Month End Strength	388,102	220,281	99,099	31,327	93,476	50,920
D. Latest Month Change from Previous Month End Strength	- 2,078	- 1,394	- 80	+ 198	+ 194	+ 105
E. Previous Month End Strength	390,180	221,675	99,179	31,129	93,670	50,815
MPS Awaiting Training Without Pay(L) (Month End Actual)	6,675	813	134	1,097	304	223
TOTAL ASSIGNED STRENGTH	394,777	221,094	99,233	32,424	93,780	51,143

TAB R

SELECTED RESERVE (PAID DRILL)
STRENGTHS - FY 1976
 March 31, 1976

	Army		Navy	USMC	Air Force		Col. 3 Total
	Col. 2	Col. 1			Col. 2	Col. 1	
	ARNG	USAR	USNR	USMCR	ANG	USAFR	
A. Authorized Man-Year Average (Congressional Floor PL94-106)	400,000	219,000	106,000	32,481	94,879	51,789	904,149
B. Latest Month: March 1976							
1. Cumulative Actual Average	383,608	216,866	98,519	31,493	93,293	50,307	874,086
2. Percent of Authorized Average	95.9	99.0	92.9	97.0	98.3	97.1	96.7
3. Net Over/Short Auth. Average	-16,392	-2,134	-7,481	-988	-1,586	-1,482	-30,063
C. Actual Month End Strength	369,071	204,247	98,069	31,424	91,554	48,521	842,886
D. Latest Month Change from Previous Month End Strength	-2,540	-3,147	+ 185	- 307	-801	- 917	- 7,527
E. Previous Month End Strength	371,611	207,394	97,884	31,731	92,355	49,438	850,413
MPS Awaiting Training Without Pay(L) (Month End Actual)	15,599	1,497	199	1,459	731	368	19,853
TOTAL ASSIGNED STRENGTH	384,670	205,744	98,268	32,883	92,285	48,889	862,739

Source: ODASD(RA)

ALTERNATIVE TREATMENT OF RESERVE FORCES
DRILL PAY UNDER A SALARY SYSTEM ¹

ALTERNATIVE NO. 1:

Pay one day of active duty salary in lieu of a day of active duty basic pay for a four-hour UTA.

a. Advantages.

- (1) Maintains a nominal one-for-one relationship between pay for inactive duty training performed and active duty pay.
- (2) Would be readily accepted by reserve members.
- (3) Does not change costs of quarters or subsistence in kind.
- (4) Does not change retirement point costs.

b. Disadvantages.

- (1) Increases DoD drill pay cost by about 33%. FY 1975 expenditures of \$857 million would have increased by \$283 million to \$1,140 million.
- (2) Does not directly establish equivalency with active duty military compensation.
- (3) Does not ensure equal pay for equal work on the basis of hours worked.

¹ Extract from QRMC Issue Paper dated 8 April 1976 on subject "Reserve Forces Drill Pay".

ALTERNATIVE NO. 2:

Maintain current drill pay levels as the necessary compensation level for the IDT program by applying a percentage to active duty salary rates.

a. Example.

<u>Grade and Longevity</u>	<u>Present Daily Basic Pay</u>	<u>Present Daily RMC</u>	<u>Present MUTA Pay</u>	<u>Full RMC MUTA</u>	<u>Hypo- thetical MUTA 75% RMC</u>	<u>Percent Present MUTA Pay</u>
E-4(2)	\$15.31	\$23.84	\$30.62	\$47.68	\$35.76	117
E-7(18)	28.90	39.27	57.80	78.54	58.91	102
O-3(6)	40.64	52.08	81.28	104.16	78.12	96

b. Advantages.

(1) Pays approximately the current rate for training duty performed. DoD costs remain relatively constant.

(2) Maintains the link between reserve and active pay systems.

(3) Approximates present level of reserve take-home pay.

(4) Does not change costs of quarters or subsistence in kind.

(5) Does not change retirement point costs.

c. Disadvantages.

(1) May encounter the same opposition as met the similar proposal made by the First Quadrennial Review. Does not meet the criterion that some reservists consider essential that the IDT pay be at the rate of one day of active duty pay for one drill (UTA).

(2) No single percentage factor of an active duty salary can create a drill pay matching current drill pay levels for all pay grades. In the example of 75% RMC, the range is from 96% to 117% of current drill pay.

(3) Does not ensure equal pay for equal work on the basis of hours worked.

ALTERNATIVE NO. 3:

Replace inactive duty training (IDT) with active duty training (ADT).

Pay reservists one day's salary for one day's ADT.

a. Example.

	<u>E-4(2)</u>	<u>E-7(18)</u>	<u>O-3(6)</u>
Annual Drill Pay for 24 MUTAs (48 UTAs)	\$734.88	\$1,387.20	\$1,950.72
Annual RMC for 24 days' ADT	\$72.16	942.48	1,249.92
Percentage of Present Annual Drill Pay	73%	68%	64%

b. Advantages.

(1) Maintains nominal one-for-one relationship between reserve training pay and active duty pay.

(2) Pays for IDTs at same rate as already being paid summer ADT of same Selected Reservists.

(3) Lowers DoD costs. Assuming that salary would average 35% higher than present basic pay, the 50% decrease in drill days paid would result in a 34% decrease in reserve training pay costs associated with IDT. Based on FY 1975 expenditures of \$857 million, would reduce reserve training costs by \$287 million to \$510 million.

(4) Entitles reservists to some of the active duty allowances and fringe benefits while on active duty that they now receive on their two-week ADT.

(5) Eliminates the misunderstanding caused by the attribution of "two days' pay for one day's work" for IDT.

(6) Eliminates costs of quarters or subsistence in kind associated with IDT.

(7) Reduces DoD costs as a result of reduced reserve retirement point earnings.

(8) May enhance reservists' perceptions of total force integration.

(9) May enhance the average training effectiveness of MUTA weekends.

c. Disadvantages.

(1) Reduces the total annual reserve pay of Category A Selected Reservists by an average of 24% for the same amount of training performed. Similarly reduces the total annual reserve pay of Category B (24 paid drills per year) Selected Reservists by an average of 19%.

(2) Requires development of an appropriate pay basis for the 14% of reservists who train in four-hour individual UTAs.

(3) Reduces reserve retirement point accumulation. A Category A reservist would earn 24 retirement points annually (24 ADT substitution), instead of 48 (24 MUTAs), for the same amount of training duty performed.

(4) Requires Category B reservists (24 paid drills per year) and all other reservists who drill (with or without pay) to perform more training, more instruction, or more correspondence courses, to achieve a 50-point satisfactory year for retirement purposes, or some other adjustment to retirement point earnings be made.

(5) Results in variable gains and/or losses in current daily levels of drill pay depending on grade.

(6) Adds to current training costs the costs of allowances and benefits authorized under ADT.

(7) Commits reservist to a full 24-hour day of military duty in a training status vice 8 hours of training.

(8) Requires a training alternative for paid and non-paid UTAs, or a decision to eliminate UTAs.

ALTERNATIVE NO. 4:

Establish an hourly pay rate system for IDT set to equal average hourly rates for active duty personnel, treating active duty RMC as if it were all paid for the time active duty members are actually at their place of work.

a. Example.

Unit Manning Standard Weekly Hours Work and Duty	Present Hourly Equivalent					
	E-4(2)		E-7(18)		O-3(6)	
	RMC	IDT	RMC	IDT	RMC	IDT
Air Force Standard - 40 Normal	\$4.75	\$3.83	\$7.82	\$7.23	\$10.37	\$10.16
Army Nontactical - 44 Units	4.15	3.83	6.84	7.23	9.07	10.16
Air Force Extended - 48 Normal/Remote	3.69	3.83	6.07	7.23	8.05	10.16
Navy Fleet - 74 Watchstander	2.40	3.83	3.95	7.23	5.24	10.16

Average Peacetime - 44 Actual Workweek	4.15	3.83	6.84	7.23	9.07	10.16

Assume Average 18 - 40 Days Worked per Month	4.97	3.83	8.18	7.23	10.85	10.16

b. Advantages.

- (1) Maintains a nominal one-for-one relationship between IDT and active duty pay.
- (2) Probably acceptable to reserve personnel and reserve interest groups as an appropriate solution to perceived inequitable rates of drill pay.
- (3) Eliminates the misunderstanding caused by the attribution of "two days' pay for one day's work" for IDT.
- (4) Could maintain reserve IDT costs essentially unchanged, depending on basis chosen.
- (5) Does not change costs of quarters or subsistence in kind.
- (6) Does not change retirement point costs.

c. Disadvantages.

(1) Requires expression of an explicit workweek length for military personnel, to which active duty pay is explicitly tied, inviting comparisons with civilian hourly wage rates, workweek norms, overtime pay practices, and other civilian work practices.

(2) May be perceived by active duty personnel as inequitable if based on an 8-hour day.

(3) May be perceived as inequitable by reserve personnel and reserve interest groups if based on other than an 8-hour day.

(4) Could increase reserve IDT costs depending on basis chosen.

(5) Results in variable gains or losses in current daily levels of drill pay depending on grade and hours worked.

(6) Does not recognize that a drill (UTA) can extend beyond the official four-hour period.

ALTERNATIVE NO. 5:

Set Reserve drill pay on the basis of a direct link with comparable civilian work.

a. Advantages.

(1) The IDT paylines relate directly to the civilian sector where the reservist works for his living.

(2) Separates IDT payrates from the effects of changes in active duty pay made for active force management purposes.

(3) Permits consideration of basing IDT on the premium rates for overtime in the private sector if necessary to achieve adequate pay levels, without the need to manipulate drill lengths or to introduce the idea of overtime pay in active duty service.

(4) Would eliminate the misunderstanding caused by the attribution of "two-days' pay for one day's work" for IDT.

(5) Does not change the costs of quarters or subsistence in kind.

(6) Does not change retirement point costs.

b. Disadvantages.

(1) Loses the reinforcement of perception of a single integrated force that can result from linking IDT pay to active duty pay.

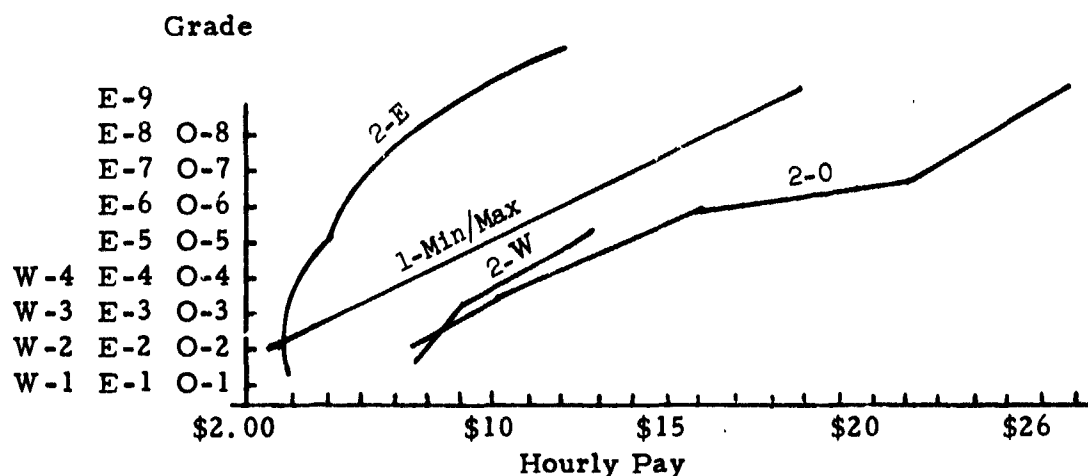
(2) If based on other than the same work level linkages used for the active force, could be viewed by either the active or reserve as inequitable, depending on the linkage basis chosen.

(3) Requires decision on whether to establish linkage with full-time, overtime, part-time, or training status civilian work.

(4) Many military jobs in which reservists are being trained have no civilian counterpart.

ALTERNATIVE NO. 6:

Establish a Reserve IDT pay system separate and independent from active duty or private sector pay systems.

a. Examples.

¹ Scale from Minimum Hourly Wage to Maximum Civil Service Consultation Hourly Rate

² Scale from Modal IDT E-1 Pay to Modal IDT O-8 Pay at FY 1976 levels

b. Advantages.

(1) Can be independently adjusted to the needs of reserve manpower requirements, instead of following adjustments made to meet the needs of active duty manpower management.

(2) Separates IDT payrates from the effects of changes in active duty pay made for active force management purposes.

(3) There is simplicity in the concept.

(4) Does not change costs of quarters or subsistence in kind.

(5) Does not change retirement point costs.

c. Disadvantages.

- (1) Administrative problem of establishing and periodically adjusting the pay line.
- (2) Possible perception of inequity by reservists and reserve interest groups who would compare their pay to active duty pay, even though independently set.
- (3) Loses the reinforcement of perception of a single integrated force that can result from linking IDT pay to active duty pay.
- (4) Requires clear definition of requirements, not currently available.
- (5) Requires revision of Reserve retirement program to set a base for retired pay calculation.

FOREIGN MILITARY COMPENSATION SYSTEMS

A Staff Research Paper

Prepared For

The Third Quadrennial Review

Of Military Compensation

31 August 1976

COMPARISON OF MILITARY
COMPENSATION SYSTEMS

COMPARISON OF MILITARY COMPENSATION SYSTEMS

I. MILITARY COMPENSATION

	US	U. K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Compensation Base	Pay and Allowances.	Salary includes X-Factor for recognition of conditions of service - 10% men - 5% women.	Salary includes 4% Factor for recognition of conditions of service.	Draftee pay & allowances. Career pay + duty station allowance & child-rent allowance. Same pay scale as Civil Service employees.	Regional salary same as public service pay scales. 3 year longevity step increases.	Basic pay and allowances.	Salary plus service allowance. (See X Factor)
Quarters Allowance	When gov't qtrs. not provided, monthly allowance. Single Off. \$120-255 EM \$ 60-144 Married Off. \$156-319 EM \$116-204	Included in salary. 2 monthly charges for gov't qtrs. based on rank and type of qtrs. Eligible for excess rent allowance when gov't qtrs not available.	Included in salary. 2 monthly charges for gov't qtrs. 2 on rank and type of qtrs. Eligible for Metered utility when possible.	Duty Station Allowance varies with rank, number of dependents 3 Single-394-564 DM Married-486-670 DM/mo.	Included in salary. No charge for qtrs. on board ship or in the field.	Officers & Enlisted above SSGT max. ¥6,000 monthly, varies with rental paid and rank.	Included in salary if gov't qtrs not occupied, entitled to a subsidy if rented qtrs exceed an amount specified for individual's rank. Charges for gov't qtrs subsidized.
Subsistence Allowance	Officers \$53.05/mo. Enl. \$75.90/mo. Separate & leave rations; in-kind not available \$85.50/mo. Emergency-\$113.70/mo. 1	Included in salary. Deductions for single servicemen \$5.41. Eligible for meals out allowance + missed meal payment. 4	Included in salary. Deductions for rations provided Officer-\$C93.41 EM \$C69.87 Single members at sea or in field \$C54.64 5 (Monthly rates)	Included in duty station allowance except draftees furnished meals or reimbursed daily 4.00 DM. Purchase specific meals in advance 4.00 DM daily.	Included in salary, no charge for meals aboard ship or in field.	Officers - none EM provided rations on ships or at bases.	Included in salary. Charges are significantly less than the actual cost of providing meals and accommodations.

- 1 Rates effective 1 October 1975.
- 2 No charge for quarters provided aboard ship or in the field or when entitled to a separation expense.
- 3 Rates effective 1 January 1975.
- 4 No charge for meals (1) while on leave 48 hours or more (2) serving at sea or in the field for two nights or more (3) when they live (out) off base. Rates effective 1 April 1976.
- 5 Rates effective August 1976.

I. MILITARY COMPENSATION (Cont'd).

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Tax Advantage	Quarters & Subsistence allowance not taxable. Uniform allowance and Hostile Fire Pay not taxable.	Officers uniform maintenance relief of £100/yearly from tax.	Benefit exists. Non-quantifiable.	Extra performance compensation tax exempt, i.e., flight pay, sea pay, sub, jump & overtime pay up to 24,000 DM/yr.	None.	Qtrs. & Subsistence allowances not taxable.	Salary tax exempt when serving in a combat area.
Annual Leave	Annual Leave 2 earned at the rate of 2 1/2 da/mo. 30 calendar da/yr. maximum ceiling of 60 da. unless in foreign area where there is hostile activity.	Officers 42 days/yr. EM 30 days. Senior NCO's 42 days/yr. (Calendar days)	Officers 30 days/yr. EM 30 days/yr. (working days) Saturdays, Sundays & Holidays do not count as leave.	Varies with age & rank - min. 21 days/yr. max. 36 days/yr. + two 5 day extra compen. days. Holiday periods.	24-40 days/yr. max. varies with grade/age. Sundays do not count as leave.	2 days/mo. or 24 days/yr. Do not count Sunday and only 1/2 day for Saturday as leave days.	20 days/yr. recreation leave. Do not count Saturdays, Sundays or public holidays. Also grant travel time to & from leave + 10 day/yr. for Aviators & sea going pers. for remote area service.
Holidays	9 Holidays with pay per year.	7 days per year.	12 days per year.	Average 12 days per year. Variable by State.	9 days per year.	19 days/yr. include 6 days New Years.	Varies by state. Approx 11 da/yr.
"X" Factor	None.	Included in salary. In recognition of conditions of service, total commitment, Code of discipline, 10% men 5% women.	4% added to rates of pay for LTC and all ranks below.	None.	None.	None.	\$A950 (\$1280.05) yr. Fully taxable to all members except some Junior categories & members receiving consolidated pay (Star ranks) ³

- 1 Exemptions for isolation, unpleasant living conditions and climate when posted for Singapore, Malaysia and Papua and New Guinea
- 2 Receive full pay and allowances for time absent as annual leave. Enlisted receive accumulated leave payments upon reenlistment
- 3 Except (a) Cadets and Apprentices (b) General Officers, Brig. Maj. & Lt. Gen Medical & Dental Officers LTC to Maj. Gen.

I. MILITARY COMPENSATION (Cont'd)

	U.S.	U.K.	Canada	Federal Repu' of German	Sweden	Japan	Australia
Other		Married benefits Free food in mess. Free spare accommodation. Modest family public service maintenance grant when living apart	Travel & moving entitlements, same as for military as public service employees	Special Christmas bonus, a 13th full month's pay.	Grade A-19 (U.S. equivalent E-9, O-2) and below, weekend holiday & overtime pay over 42 hr/wk. Night differential pay or compensatory time off.	Commuting allowance reimbursed. If more than ¥7000 vessels, i.e., Sublt \$A146/yr Capt. & CDR \$A730/yr	Command Money (Navy) Seagoing vessels, i.e., Sublt \$A146/yr Capt. & CDR \$A730/yr
Reserve Forces	Drill pay awarded on basis of one day's basic pay for each drill period. Retirement system available after age 60.	Annual duty 2 weeks at same salary rates as active duty personnel. Retire at age 55. No special pension.	No special pension. Drill pay, 6 hours or less; 6 hours or more, same salary rates as active duty personnel for 2 weeks duty annually.	Reserve Pay. Dependents Support allowance which is computed as follows: 70% of net civilian pay for single members - 90% of net civilian pay for married members. No special pension.	Unknown.	Unknown	Unknown

1 Reserves on active duty receive same pay and allowances, and special incentive pays as active duty personnel.

II. SUPPLEMENTAL BENEFITS

	U. S.	U. K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Medical Care (Active)	Provided full medical & dental care for active duty members.	Free medical/dental service under national health acts. Provided from service or civilian sources.	Provided full medical and dental care at no cost.	Provided full medical & dental care at no cost.	Provided full medical/dental care under national health plan.	Provided full medical & dental care. No cost to service member.	Only the service person is provided full medical and dental care at no cost.
Medical Absence	Granted as necessary. Pay and allowances continues.	Granted as necessary. Salary continues.	Adequate and reasonable time off is provided to meet most employment needs. Salary continues.	Granted as necessary, pay and allowances continues.	Granted as necessary, salary continues.	Receive reduced pay 80% married- 60% single. Max. 3 yr TB convalescence, 6 mo. other reasons.	Granted as necessary, salary continues.
Medical Care (Dependents)	Provided at service facilities where available and if not available through civilian providers. Costs range from no costs at Service facilities to 20% above \$100 max. per family under CHAMPUS.	Pay weekly "national insurance". An almost free medical/dental service provided under national health acts. pay certain charges for drugs, dental, spectacles at civilian facilities.	Charges for inpatient and outpatient care covered by Provincial Health Ins. Plans. Provided emergency care where no adequate civilian care available	Member reimbursed 55% + 5% each child max. 75%. An additional 15% when hospitalized. Gov't provides private health insurance. Service men & dependents may carry supplemental ins to provide full coverage.	Provided under national health plan; portion of income tax pays 1/2 actual medical care costs. No cost to join assoc.	Dependents & retired not provided care at service facilities except emergencies. May participate in contributory insurance type program, i.e., Army Health Benefit Society or Medi-Bank plan.	Dependents & retired not provided care at service facilities except emergencies. May participate in contributory insurance type program, i.e., Army Health Benefit Society or Medi-Bank plan.
Medical Care (Retired)	Provided at service facilities where available and, if not available, under CHAMPUS through civilian providers. Costs range from no cost to 25% of costs for CHAMPUS inpatient care.	Medical/dental care provided under national health acts. Provided from civilian resources; dependents eligible.	Provincial Health Ins. & Group Surgical & Medical Insurance, Dependents eligible. After age 65 all medical care is free.	Private health ins. provided at no cost. Member reimbursed 55% to 75% depending on marital status & number of dependents. An additional 15% reimbursed when hospitalized. May carry supplemental ins. to provide full coverage.	Provided under National Health Plan.	None provided. May join National Health Insurance. After age 65 all medical care is free.	Dependents & retired not provided care at service facilities except emergencies. May participate in contributory insurance type program, i.e., Army Health Benefit Society or Medi-Bank plan.

II. SUPPLEMENTAL BENEFITS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Health Insurance	Personal Matter for additional coverage.	National Insurance weekly deduction cost sharing also covers old age pension.	Dependents, Active Duty - 50/50 cost sharing, member / government.	Provided by Gov't at no cost to serviceman. May take full coverage supplement.	Everyone covered under National Health Plan.	Provided Active duty member & dependents. Retired must pay for insurance to age 65.	All Australians receive free medical treatment under MEDIBANK PLAN.
Life Insurance	SGLI max. coverage \$20,000. Contractable to Vet's GLI upon separation or retirement. ²	No gov't insurance services. Contract for group ins. with private companies.	Supplementary death benefit plan mandatory. Monthly contributions by member 5¢ for ea. \$C250 of annual salary, max. insurance coverage nearest \$C250 above salary. Retirees elig.	No. gov't insurance. May take group coverage.	Gov't provides military union also provides additional group coverage.	All pay ¥1003 monthly for ¥380,000 coverage depending on cause of death up to ¥580,000.	Personal matter, however, reimbursed up to \$A150/year for conditions of service employment.
Social Security	1976 deduction of 5.85% of monthly basic pay up to maximum annual contribution of \$895.05. ⁴	Subject to adequate contributions. Entitled to flat rate of benefits & dependents eligible.	Canada pension plan max. 1.8% of \$C7500. \$C135 does not supplement retirement pension, benefits deducted from retired pay.	Not applicable. Covered by disability health survivor benefits and pension.	Levy on income. Old age benefits payable - age 65 Benefits deducted from retired pay.	None.	Social Ins. Old age pension - need related. Military retired pay over minimums. Therefore do not receive old age pensions.
Retirement	Non-contributory funded by annual appropriation. Min. 20 yrs ser. 50% base pay. Max. 30 yrs ser. 75% final base pay. CPI adjusted annually based on active duty pay.	Non-contributory. Funded by annual appropriation. Pension + 3 yr. tax free gratuity upon retirement. Adjusted annually based on active duty pay.	Contributory. Employees 7%. Contributions include SS payments. Actuarially sound. Gov't 1.8% + fund deficiencies. Pension based on best consecutive 6 years service.	Non-contributory. Min. 10/yr 35% Max. 35/yr 75% of terminal pay and some allowances. Retired pay adjusted with active pay.	Non-contributory. Retirement age 60-65 years, 67% salary. CPI adjusted.	Officer 40% EM 25% 20 yr/ser. Max. pension 70% 40 yrs service Minimum pension ¥302,400 per year.	Contributory. 5.5% base pay. Min 20 yr ser. 35%, Max 40 yr ser. 76.5% of terminal pay. Retired pay adj. with active pay.

- 1 Member reimbursed 55% + 5% each child, to maximum of 75%. An additional 15% reimbursed when hospitalized.
- 2 Only extra cost attributable to extra hazards of service paid by government.
- 3 Additional policies may be subscribed to, up to 40 policies by each member, at a cost of ¥100/month per policy.
- 4 Deductions range from E-1 \$21.13/month; to O-10 \$184.24/month until maximum annual contribution reached.
- 5 For personnel leaving military service prior to retirement, government pays coverage for period of active duty.
- 6 Benefits by any rise in Basic pay and receives Cost of Living Protection.

II. SUPPLEMENTAL BENEFITS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Other	Navy. Eligible for round-trip transportation from overhaul location after 31st, 91st & 151st day of overhaul to ships home-port where dependents reside when overhaul is away from homeport.	Eligible for 3 return leave journeys a year at public expense in (BOAR) ¹ .	Life Insurance (cont) Member covered by SISIP, service-man's income security insurance plan, disability payments, survivor benefits, dependent life insurance.	Union membership (2,000) cost 1% of salary. Homes for retirees (rental units) 76-80 sq. meter @ 3.85 DM per sq. meter. No voluntary retirement, must serve to compulsory release age.	Retired pay usually not paid prior to age 60.	Unreduced pension commences age 55 - reduced 4%/yr. prior to age 55.	Commutation of retired pay. May select to receive up to 4 times annual retirement pay in lump sum. Retirement pay correspondingly reduced.

1 British Army Overseas Regiment

2 SISIP also provides major medical benefits for long term disability. SISIP Benefits are protected against inflation, to a maximum of 2% per year.

III. SPECIAL AND PREMIUM PAYS

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Bonus	See enlistment & reenlistment bonuses.	Unknown.	\$C50/mo. in addition to Foreign Duty Allow. for over 6 mo. or 2nd or 3rd tours overseas.	13th mo. pay special Christmas bonus. Service Ann. Bonus 25 - 200 DM 40 - 350 DM 50 - 500 DM	Unknown.	Bonus A - paid on 15 Jun 110% of monthly total salary. 5 Dec. 200% of monthly total salary plus extra 25% for Public Service special assign. + admin personnel extra. 5-21% supervisors. 5 Mar. 50%, plus Bonus B - paid on 15 Jun max. 60% of monthly salary. 5 Dec max. 60% of monthly salary for satisfactory performance.	Yearly equal to 17 1/2% of one mo's Basic Salary. Same for Public Service employees.
Enlistment Bonus (E.B.)	Authorized up to \$3,000 for critical skills enlistment or 4 year extension. Has only been used up to \$2,500 for combat arms, Army & Marine Corps.	Servicemen for 6 yr. commitment add £2.10 wkly. for 9 yr commitment add £5.25 wkly.	None	Officers - None Varies with length of enlistment & length of service. 1,000 - 9,000 DM None paid at present.	Unknown.	E. B. is paid to all enlistees, men & women in all skill areas. 2 yr - 100 days Basic Salary 3 yr - 150 days Basic Salary.	Unknown.
Reenlistment Bonus (R.B.)	1 Selective R.B. paid for any manning problem point up to 10 yrs. service. Restricted to a max. of \$12,000 paid by lump sum or installment.	Unknown.	Reserve Force Service and Qualification Bonus officer or EM \$C100 to \$C300 (primary reserve).	Officers - None Varies with length of reenlistment & length of Service 1,000 - 9,000 DM. Authorized but not used.	None	Paid to all reenlistees for 2nd and subsequent reenlistments, i.e., 2 yr - 200 days Basic Salary.	Re-engagement for men (enlisted). \$A1000 (tax free) for 3 yr extension upon completion of initial 6 yr. term.
Proficiency (Monthly)	2 Enlisted only. Max. P-1 \$50, P-2 \$100 P-3 \$150 for designate critical military specialties and spec. duty assignments. (superior performance discontinued FY79.	Unknown.	None.	None	None	In-grade step increase or promotion for superior performance. \$A150-900 per year.	None, except for language proficiency. \$A150-900 per year.

- 1 Subject to recompment for the unserved portion of the reenlistment
 2 Not applicable for officers. 1958 Congress authorized analogous to Enl. Pro Pay. Officers Responsibility Pay. Permissive rather than mandatory. Range O-3, O-4 \$50, O-5 \$100, O-6 \$150.

III. SPECIAL AND PREMIUM PAYS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Aviation Career Incentive (Monthly)	Off. - \$100-245 mo. WO - \$100-200 mo. Special pay based on aviation service and officer service. Max. 6 yrs aviation service & 18 yrs off. service. Reduced amount O-1 thru O-10. Must meet performance requirements.	Amount varies with rank. £37.80 Air Comd. £70.20 Flt. Lt. £43.20 Air Load Master.	Higher annual salary, variable amounts for pilots & lower amounts for navigators & engineers. (Separate Pay Scales).	(Tax Free) Flying Pay Supplement for jet pilots - 100DM/mo. other pilots 240 DM/mo. Permanent air crew members 190 DM/mo. Air transport escort personnel 190 DM/mo.	'Reward' rate based on grade/yrs of service. Max. reached at 0-4/6yrs & remains constant from then on. Flt. pay taxed at higher rate than salary.	Special pay computed as a percent of salary for all grades jets - 65% recip. - 50% of 1st step of basic pay for rank of member.	Officers \$A75 - 125 Aircrewmen (Navy) \$A66.67. 1/2 rate Trainee's \$A33.33-37.50.
Nuclear (Navy)	Enlisted, SRB max. of \$15,000 Officers accession \$3,000.2	Amount varies with rank, £43.20 - 61.80 monthly.	None.	None.	None.	None.	None.
Health Professions (monthly)	3 Medical 0-2 yrs \$100- Officers over 2 yrs \$350 Dental 0-2, 2-6 Officer \$100 \$150 6-10 Over 10 \$250 \$350 Optometrists & Veterinarian - \$100.	Separate pay scales. Separate Pay Scales: Capt (0-3) Doctors \$C1805 Dentists \$C1745 Officer Gen. Service \$C1180	Special pay career officers: Medical services provided under contract plus pay for non-career medical officers.	Special pay career officers: Medical services provided under contract plus pay for non-career medical officers.	Controlled starting salary allowance reduces after 12 yrs. Varies with location ¥2500 - ¥10,000.	Unknown.	
Submarine (monthly)	Officer O-1 O-6 \$115 - 245 WO W-1 W-4 \$105 - 165 EM E-1 E-9 \$70 - 165 (Same scale for self-propelled submarine duty).	Amount varies with rank, Monthly rates £43.20 - 61.80.	Officer credit & above \$C265. Master warrant officer & above \$C265. War-bers 270 DM. Officer & below \$C205. Officer & below also training rates at sea & ashore casual rates for TDY pers.	Tax exempt. Extra performance compensation crewmembers 270 DM.	Crew - 40% of Basic Pay Other than crew varies with rank Monthly rate ¥3400 - 30,000.	(Per Year) Single \$A40.77 Married \$A91.25.	

- 1 Flying pay supplement paid in addition to above, part of supplement added to pension base.
- 2 Officers also eligible for continuation bonus of \$20,000 to nuclear qualified for 4 year agreement, to remain on duty beyond their annual service obligation, or \$4,000 per year for an annual incentive bonus for each year's service beyond their initial service and \$7,400 per year for limited duty officers and warrant officers who received nuclear training as enlisted personnel.
- 3 Continuation pay Physicians and Dentists, eligible after 2 years. A maximum of 4 month's basic pay for 1 year additional service. Variable incentive pay for medical officers \$9,000 - \$13,500 yearly based on years of service, Active duty agreement and obligation.

III. SPECIAL AND PREMIUM PAYS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Flying (Monthly)	EM Crewmember \$50 - \$105 Non crewmember Officer \$110 EM \$55	Specialist Aircrew Amount varies with rank/yr. £13.20 - 153.30	Aircrew allowance pilot officer \$C100 EM air duty allow. \$C65 Casual daily rate for TDY personnel, 125 DM.	Taxable arduous duty supplement pilots varies with duties 80 DM - 250 DM. Payment for TDY personnel, 125 DM.	Flying personnel receiving flying allowance, varies with rank & service function 700 - 1100 Kroner	Jet crew 15% Recip crew 50% of 1st step of Basic Pay for rank of member	Paid to enlisted ranks only Flt. Eng. \$A800 Med. Ord. \$A300 Trainees 50% of above rates.
Parachute Jumping (Monthly)	Officers - \$110 EM - \$55	Officers & men £19.50 Instructors £22.50	Paratroop Allowance while filling a position requiring parachute jumping \$C75.	Tax exempt officer & men jump personnel duty 150 DM Qualified Personnel 45 DM.	Yes	Troopmember 27.5% of 1st step of Basic Pay for rank of member Training Group 22% as above	Rate for: Trainees \$A16.50 Qualified Personnel \$A24.90 Instructors \$A28.20
Demolition (Monthly)	Officers - \$110 EM \$55	Category 4 - Diving pay - EOD techniques £73.50	Exceptional hazard allowance - officer or EM \$C50 each for normal disposal procedure	Tax exempt Mine Diver 240 DM.	None	Taken amount 1 hr. ¥32 daily ¥30-100	Unknown
High or Low Pressure, Leper Care, Thermal Tests, Certain Other Duties	Carrier Flight Deck Duty, High or Low pressure thermal stress, acceleration & deceleration, leprosy. All at the following rate: Officer \$110/mo. EM \$55/mo.	Acceleration/Deceleration & Thermal tests EM only \$.25 (U.S.) Daily	Field Operations Allowance \$C3 daily when at least 24 hours on Field Operations away from base. Physiological tests \$C2 daily.	Eligible for flight pay on Altitude Chamber Duty. High Pressure Chamber 1/3 of Rate for Diving Pay.	Unknown	Varies w/low pressure ¥400 - 1260, max. monthly ¥7000.	No Program

III. SPECIAL AND PREMIUM PAYS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Diving Duty Pay (monthly)	Officers \$110 EM \$65 to \$110 Based upon qualification.	Varies with skill & intensity & hazards. Daily rate Category 1 - \$15.00 Category 4 - \$13.50	Clearance Diver: Officer or EM \$C175. Ships Diver or shallow water \$C40. Also casual daily rate.	Tax exempt - varies with diving time & depth. Basic per hr. rate to 5 meters 9.50 DM 25-30 meters 28DM.	Yes.	All ranks same Varies with depth ¥3900, 20 meters ¥30000 more than 60 meters.	Ships Divers. \$A5.50 per day, max. of 4 days per month. Army & Air Force personnel employer as clearance divers eligible
Other	Personal Money Allowance/Position Pay \$400-\$5,200 Yr. Non taxable e.g. LTG, VADM \$500/year.	Hydrographic Pay varies with rank, Daily rate \$6.60 - 41.40 Recorder/Captain.	Rescue Spec \$C150/ mo. Isolation allow, hrs/wk 0.75DM/hr. varies with accompanied/unaccompanied - Holidays 2) Be- tween 2000-0600 cost/fuel - utilities. other days 3) Sat. after 1300. Language Groups varies with skill & location 30 DM-160 DM/mo. Not paid for English or French.	Gold Weather Pay - Varies with rank and conditions 1-8% of salary.			A free trip each year for single persons to their home town.

1 Tax Exempt up to 24,000 DM per year for Sunday, Holiday and Night work. Not applicable for Guard Duty, Manuevers or Exercises

COMPARISON OF MILITARY COMPENSATION SYSTEMS
IV. OTHER RELATED ITEMS

	US	UK	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Certain Places Pay	EM only monthly. rates. E-1&2 \$8.00 E-3 \$9.00 E-4 \$13.00 E-5 \$16.00 E-6 \$20.00 E-7 & 9 \$22.50	Unknown.	Foreign duty allowance officer or man. \$C50/monthly plus post rating level. I II \$C37.50 SC54.17 III IV \$C79.17 \$C100.00	Unknown.	Unknown.	Cold district allowance percent of basic pay, 1/2 rate for men under CPO. Married-single rates varies with area & period payable. From 5%- 9% of basic pay.	Varies by isolation, extreme climate, cost of living. Married-single rates. Varies whether qtrs provided or not. \$A6.30 -114.30/mo.
Sea Duty (monthly)	(Same as Certain Places Pay).	For smaller sea-going ships. Hard lying money, where the living conditions are especially arduous, paid to all ranks (1972) \$4.20 mo.	Officers and EM \$C100/month. With 10 or more years on ships \$C150/month casual sea duty allowance/daily rate.	Shipboard allowance tax exempt crew members 105DM not paid in addition to submarine pay.	Sea allowance varies w/rank and vessel type 180-2550 Kronor	Warship 27.5% transport 22% support ship 14% of 1st step of basic pay for rank to all crew members.	Sea going allowance single \$A45.67 married \$A56.25.
Hostile Fire Pay	2 Officers & EM \$5/mo for both. Includes members continued in a missing status.	None.	None.	None.	None.	None.	None.
Family Separation Allowance	FSA-I 5 and FSA-II	Separation allowance 49.65 daily eligible after 30 days duty outside of country where wife residing, or if on sea duty. 3	Separation expense varies whether gov't qtrs & subs. 4 provided monthly. 4	Separation pay, eligible after 14 days; 6.25 DM/day varies if gov't mess or qtrs avail.	Yes, only incidental expenses.	None.	Separation allowance \$A1.00 per day after 14 days. Not paid to personnel receiving sea going allowance.

1 Also may be paid tax exempt engine room allowance 30 DM/mo.

2 "Token" and "tangible" recognition of arduous and hazardous service

3 30 day separation qualifies for separation allowance for one year, or to end of separation period. For separations other than overseas or sea duty 50 daily.

4 Rates when quarters and subsistence provided officer \$C30.00 all ranks, if in receipt of Foreign Duty Allowance. \$C52.50 for all ranks, in all other circumstances. Rates when quarters and subsistence not provided officers \$C350.00 month, EM \$C305.00/month.

5 FSA-I, Paid when government quarters not available, and dependents not authorized to accompany. Rate paid is BAQ without dependent rate for his paygrade.

FSA-II Paid at rate of \$30/month when assigned duty away from permanent duty station or homeport for at least 30 or more days.

COMPARISON OF MILITARY COMPENSATION SYSTEMS (cont.)
IV. OTHER RELATED ITEMS (Cont'd)

	US	UK	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Commissary and Exchange	Provides items at costs less than at civilian stores, savings average about 20% when used.	NAAFI Self-supporting strictly for convenience due to remoteness.	Canex. Self supporting except for isolated locations. No local taxes. Prices competitive.	An experimental canteen is being tested. Govt provides rent free space & utilities.	None. Isolated post service Coop's. No gov't support.	Small scale PX's and commissaries.	Small scale exchange.
Survivor Benefits	D&IC monthly E-1 \$241 O-10 \$615, plus \$29 for each child under 18. SBP2 up to 55% of the retired pay. (8-75 rates)	Service connected death entitles survivors to 90% of max. pension for rank regardless of length of service. Survivors of other active or retired receive 50% of pension.	Varies with grade & years of service, & number of children. Under 10 yrs service, lump sum. Over 10 yrs service, approx. 50% life time pension.	Varies with grade & years of service. length of service. The widows pension equals 60% of member's pension, also children, each 12% orphans, each 20%.		Line of duty varies with length of service-max. 70% of a year's salary. Not a year's salary, max. 35% of year's salary.	Widow receives 5/8 member's pension + minor children each receive \$A312 per year, plus 1/6 of widow's entitlement.
Burial Costs	Funeral expenses \$75 to \$500 in addition to death gratuity, 3 min. \$800 max. \$3,000.	Yes, necessary expenses + grant.	SC800-900 - special funeral expenses & cemetery plot costs 1,000 DM.	Yes. Up to a max. reimbursement of 1,000 DM.	Yes.	One month's total pay, plus burial costs to a max. of one month's total pay.	Active duty member: full costs at public expense.
Dislocation Allowance	One month's BAQ to partially reimburse member for incidental expenses on PCS orders.	Disturbance allowance is non-taxable to help meet the incidental expenses. Varies according to rank & number of dependents.	May receive in lieu of packing and crating. Varies to or from, accompanied, moves in 5 years.	Member 700 DM, Wife 600 DM Children 200 DM Extra 20% if 2 moves in 5 years.	Unknown.	Reimbursed for moving expenses.	Varies with number of moves, married or single rates \$A45 - \$A240.

1 Member's death on Active Duty. Widows in nursing homes who are helpless or blind receive an additional \$72.00/mo. Also some widows eligible for SBP. The amount of benefit equals D&IC + SBP to a maximum of 55 % of retired pay, only for retirement eligible personnel.

2 Member's death after retirement, widow, children entitled to SBP.

3 Death Gratuity (non-taxable) 6 month pay \$800 min. to \$3000 max., plus burial costs above.

4 Paid to a member without dependents on PCS where no government quarters are available.

IV. OTHER RELATED ITEMS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Overseas Station Allowance	Temporary lodging allowance, per diem, housing allowance, average excess costs, cost of living allowance, average relative difference.	Family allowance, motor mileage, local overseas allowance, rent allowance, education allowance.	Foreign service allowance, rent allowance, education allowance, utility allowance, in some locations foreign duty allowance.	Cost of Living 20% extra with family. 2 vehicles shipped, housing allowance varies with rank. Reimbursed 90% cost difference above 18% of total pay.	Yes.	Receive overseas cost of living and housing allowances.	Yes, a difficult post allowance is paid. It attempts to maintain the member's same financial position as in Australia.
Separation (Severance) Pays	Paid to regular officers & all reservists with over 5 years continuous active service, not retirement eligible, who are involuntarily released, not to exceed \$15,000.	Gratuities: EM-Regulars with at least 12 yr. service £365 to £495 for 21 years service. Officers with 10 years service £2420.	Entitled to gratuity: under 10 years service 1/2 weekly salary times no. years service. 10-20 years service, weekly salary times years service.	Transition allowance: 75% of active duty pay. 4-6 yrs. - 6 month. 6-8 yrs. - 1 yr. 8-12 yrs. - 1 yr 6 mo. over 12 yrs. 3 yrs.	Unknown.	Varies with length of service. 2 yr. - 100 days 3 yr. - 150 days 4 yr. - 200 days	Furlough Entitlement same as public service employees. Each year of service 3/10 mo. salary + service allowance. 10 yr. service, 3 mo. salary + service allowance.
Clothing Allowance (Monthly)	2 Initial free issue Enlisted (Uniform) (Monthly) Men \$6.30 \$7.20 Women Standard \$9.00 \$10.20 Regular officers 3 none, except ROTC Allowances not taxable.	Free issue & replacement as required for EM. Officers receive non-taxable £220 upon entry & £106 per year for maintenance & replacement	Officers & EM Females \$C.0.25 Males \$27.25 Not paid where clothing issued.	Officers one time payment AF-Army-965 DM, Navy 1,320 DM-Clothing replacement Allowance 30 DM. EM - free issue & replacement.	Yes.	Free issue upon entry. EM continues to be issued items throughout service. Officers must maintain & replace at own expense.	Free issue upon entry. Officers \$A19.67 thereafter. SNCO \$A14.08 Others \$A11.83 thereafter.

1 Officers with more than 10 years of service in addition \$485 for each year of service.

Officers separated with less than 10 years of service \$195 per year of service.

The above rates were effective April 1, 1974.

2 Basic monthly clothing maintenance allowance is paid for the 7th through the 36th month of continuous active service, standard rate thereafter. Civilian clothing required \$215-320 for EM.

3 Reserve officers, paid upon first reporting \$200.00 for reimbursement of purchases of required uniform. \$50.00 each additional 4 year period.

IV. OTHER RELATED ITEMS (Cont'd)

	U.S.	U.K.	Canada	Federal Republic of Germany	Sweden	Japan	Australia
Educational Assistance	Veterans Readjustment benefits paid by VA. Eligible after 18 mo. service for 36 months, plus may receive up to 9 additional months to pursue bachelor's or first professional degree. Full time \$270/mo. no dependents. ¹	At end of service, eligible for special training or vocational instruction. Varies with length of service, entitlements. 1 yr - 8-12 yrs. of service. 1 1/2 yr - over 12 yr. of service.	Military and public service have similar benefits. In any fiscal year may be reimbursed \$C50.00, 50% of tuition cost, which ever is greater.	Train as required for defense mission & prepare military personnel for transit-course of study at reduced pay. tion into civilian community after discharge.	May be granted leave of absence to pursue essential reduced pay.	Off duty education encouraged. Limited assistance furnished.	Reimbursement of 100% tuition fees of member with 15 years or more service. 75% reimbursement of tuition fees of member with less than 15 years service.
Unemployment Compensation	Rates vary by state. FY 74 averaged \$65.77/week. States are reimbursed by Gov't. ²	Yes.	Unemployment Insurance-Employee/Gov't cost share 50/50.	Gov't pays for member's coverage. income tax.	Yes. Funded thru income tax.	None.	Unknown.
Trailer	Dislocation Pay may be elected in lieu of trailer pay. Self Haul 11¢/mi. Commercial 74¢/mi max.	Self Haul 0.5 p. (pence)/mi. paid in lieu of moving furniture at public expense & in addition to mileage allowance	Entitled to cost of moving via commercial hauler on post facilities - Rental spaces, if available.	None.	None.	None.	None.
Miscellaneous	Token for Medal of Honor-\$100 mo for life. (Paid by VA).	Entertainment allowances & grants.	Movement grant van with rank. e.g., SGT \$C300 LTC \$C500.	Government Savings Plan.			Small ship seapay. Hard lying: Officer & EM on seagoing vessels when not entitled to seagoing allowance \$A100 day. Good conduct increment after 5 years service \$A52/year for 5 years. After 10 year, additional \$A52 year.

- 1 With one dependent \$321 monthly - Two dependents \$366 monthly. Additional amount for each dependent over two \$22.00 a month.
- 2 Must have served continuously for at least 90 days and was discharged under conditions other than dishonorable.

UNITED KINGDOM

UNITED KINGDOM
Military Compensation System 1

Background:

1. Before the introduction of the military salary in 1970, the remuneration of members of the British armed forces was comprised of the following elements:
 - a. Basic Pay
 - b. Additional Pay (e.g. --flying, submarine, parachuting)
 - c. Benefits in kind (e.g. --food and accommodation)
 - d. Allowances in lieu of benefits in kind
 - e. Allowances in recognition of special circumstances or situations (e.g. moving expenses).
2. Under this system, service members were paid basic pay according to their military rank and additional pay for the performance of specified duties. They were in addition entitled to benefits in kind or to cash allowances determined in general by their marital status:
 - a. Single Men and Women - food, uniform clothing, and housing.
 - b. Married Men - uniform clothing, a cash marriage allowance, a cash food allowance (for the man only), and family housing. The member paid a charge for his housing based on his military rank or the type of housing he and his family occupied. For many years, this combination of basic pay, benefits-in-kind, and cash allowances was

1 Source: Briefing by Group Captain Raymond MacDonald RAF, Chief Staff Officer, Pay; Office of the Commander Personnel and Logistics 23-25 June 1975, and United Kingdom Embassy Personnel, Washington, D.C.

considered to be generally acceptable and fair within the armed forces. However, as the British society increasingly sought to establish precise monetary values for its assessment of employment opportunities and career prospects, three major disadvantages were perceived in the system of remuneration for the armed forces. One, it provided different levels of remuneration for single and married men performing similar duties. Two, it did not establish precise monetary values for the benefits-in-kind actually received by service members. Three, it did not permit accurate comparisons to be made between the salary levels of members of the armed forces and the salary levels of individuals employed in civilian industry or commerce. Accordingly, a complete review of the armed forces pay system was undertaken in an attempt to overcome these perceived disadvantages. The military salary concept emerged from this review.

The Military Salary:

3. The military salary concept aims to satisfy three basic requirements:

a. To determine basic salaries for all servicemembers, at levels comparable to salaries paid in the civilian community for work requiring similar levels of skill, experience and responsibility.

b. To augment basic salaries by the addition of an element which recognizes total commitment to the services. Factors considered in this augmentation include acceptance of a strict code of discipline, subjection of the member to danger, liability for service in any part of the world, and a requirement, as necessary, to work long hours without additional pay. In the British Armed Forces, this element of the military salary is called an "X Factor."

c. To be able to charge servicemembers for food and lodging provided by the armed forces, at levels comparable to similar charges made within the civilian community.

The Practical Application of the Military Salary Concept:

4. In the British Armed Forces, the preparatory work for implementing of the military salary concept took about three years, with the main tasks comprising:

a. Devising and providing methods of job evaluation for comparing work in industry and in the services.

b. Establishing acceptable pay links between jobs in industry and the services.

c. Establishing methods of calculating charges for government-furnished quarters and food.

d. Undertaking statistical surveys to establish average working hours of servicemembers, their frequency of movement, the extent of their family separation, and their attitudes toward pay levels.

e. Evaluating the effects of military salary on compensatory allowances and pensions.

f. Revising regulations governing the whole field of pay, pensions and allowances.

g. Assessing the immediate and long-term costs of introducing the military salary.

h. Considering the adoption of procedures and methods to provide regular updating of the elements which comprise the military salary concept.

5. It became clear during the early planning stages that, because of the elimination of marriage and food allowances and the raising of housing charges to civilian levels, the apparently higher levels of projected salaries for married personnel would not increase and indeed might decrease their overall disposable income. For single men, however, the introduction of the military salary, even with the imposition of food and accommodation charges at levels prevailing in the civilian economy, would result in substantial increases in disposable income. This fact posed critical budgetary problems which had to be weighed against the paramount political objective of recruiting and maintaining the British armed forces on a wholly volunteer basis.

6. Budgetary considerations did not in fact thwart the military salary program, and it was implemented on 1 April 1970. However, to mitigate the immediate budgetary effects of awarding large pay increases to single men, their salary conversion was accomplished in two annual phases. The complete conversion to military salary was therefore completed in April 1971.

7. In practical terms, the introduction of the military salary meant that:

a. All servicemen of the same rank and trade or employment were paid the same salary. During the first few years under the salary system, the United Kingdom paid slightly lower rates of pay to female personnel (approximately 91.4% of men's salary). However, effective 29 December 1975, servicewomen became entitled to the same salary (excluding the "X Factor") as servicemen.¹

b. The "X Factor" was set judgmentally at 5% of basic salary for men and 1% of basic salary for women, with an upper limit of a set cash amount at the lieutenant colonel level.

c. Single men paid set charges for food and housing, and married men paid for service housing according to the type of house they occupied. Occupancy of government quarters was at the discretion of the servicemember.

¹ See Tab A male officers military salary and Tab B women officers military salary for salary differences inclusive of the X factor (effective 1 April 1975).

d. Charges for food and housing were waived for all servicemen on board ships and when serving in field conditions.

e. Charges for food and housing were waived for all married servicemen separated from their families. The criterion for separation was a distance of approximately 200 miles.

f. All servicemen were required to pay the cost of traveling the first three miles to and from their homes to their places of duty. For greater distances, traveling expenses were reimbursed, subject to a maximum limit in some cases.

g. Married servicemen who took casual meals in service messes were required to pay the same set charges as single personnel.

8. Effect of the Military Salary on Pensions. In itself, the introduction of the military salary had no effect on the levels of service pensions or gratuities because it was possible to maintain the former relationship between levels of basic pay and pensions. This was achieved by assessing the proportion which former basic pay represented in terms of the new military salary, and from this assessment, calculating the level of pensions according to pre-military salary arrangements. This arrangement, which hitherto had provided pensions levels of about 57% of basic pay, also represented levels of about 50% of total military salaries. However, had this not been the case and national legislation had not required pension levels to be calculated at half pay, it would still have been possible to maintain general consistency in pension

9. Pay Linkages.

Military salaries for major generals and above are linked with those of top Public Service employees.

Salaries for enlisted men are linked at the grade of corporal direct to private industry wages by means of a job evaluation system. An important feature of the evaluation process is that it is the job which is evaluated and not the man performing it. Points are established for both military jobs and a sample of 600 blue collar jobs in the private sector. The evaluation of jobs in the private sector includes 13 occupations of 11 industries, in 11 geographic areas. Twenty percent of the military and private industry jobs are evaluated each year, thus in a 5-year cycle all the jobs are surveyed. Jobs with the following point scores are grouped into three categories (bands):

232-452 - unskilled

453-532 - semi-skilled

533 and above - skilled

Wages corresponding to point scores are averaged from the job surveys in the private sector and are used to determine the military pay for the equivalent point scores of the military positions. With three pay bands for the rank of corporal established, a yearly review determines any change in job content that would necessitate a shift into a different pay band. Military personnel conduct the surveys of both military and the private industry jobs.

A private consultant acts as chairman and assists in the review of the evaluations of the three judges representing the three services. Their unanimous decision is required in determining the final point evaluation of the various jobs. A new survey is required when agreement is not reached. This linkage evaluation by the Ministry of Defence does not go unchallenged, however, the Review Body on Armed Forces Pay passes final judgment on the results of the evaluation.

A similar job evaluation survey was conducted over a 2-year period encompassing 18% of the military ranks of sergeant through warrant officers (warrant officers are enlisted personnel in the British structure). A skill differential developed in the course of the evaluation process requiring a four-band system to take care of service requirements. Traditionally, WO1 at the top pay band is linked to the officer pay of a Captain with 6 years' service.

Also, some 700 officer positions, representing a broad spectrum from O-1 to O-7, were evaluated and compared with counterpart professional positions of 200 companies in the private sector. The evaluations developed an acceptable system of pay linkages. Twenty percent of the positions are reevaluated each year; thus, in a 5-year cycle, all 700 positions are evaluated.

The evaluation system employed by the United Kingdom is the Hay method.¹ In practice, sufficient numbers of jobs are evaluated to provide 70% coverage of all jobs.

¹ The Hay Method was developed by Edward N. Hay. Over the past 30 years, the Hay Method has been used to evaluate jobs and determine salaries in over 4,000 different organizations in both the public and private sector throughout most of the western world. Over 1,000 organizations in the United States alone use the Hay job evaluation method.

10. X Factor.

There are special conditions of employment that are common to all servicemen but rarely found in the private sector. These include the potential exposure to danger, total commitment to the service, restrictions on personal liberty, and frequent moves from place to place. These factors are inseparable from service life. Although some of the features may be found in civilian life, the entire combination is rarely encountered.

These factors were measured against the advantages which servicemen had over most civilians, such as security of employment and earnings, adventure, variety, and the chance to travel.

While the British believed they could define the elements of the X factor, they knew that a large amount of judgment must inevitably enter into the measurement of them in financial terms. Moreover, they believed that the amount of pay necessary to compensate for the X factor needs to be adjusted from time to time. They considered that the X-factor level must not be set so low that it compensates only for the least onerous circumstances, or so high that it properly rewards only those on whom the greatest burden falls, and constitutes a windfall for others.

For example, changes in the labor market, such as a higher levels of employment, might alter the balance of advantages and disadvantages

between service and civilian life. The increased or decreased manpower needs of the armed forces might also enter into the calculation. In view of such uncertainty, the X factor element was initially set at 5% of salary for men and 1% for women, with an upper limit of £200 annually. These amounts were set judgmentally; no precise measurements were attempted. The upper limit was subsequently raised to £250 annually, this amount occurring at the rank of lieutenant colonel. A further review determined that many servicemen worked abnormally long hours in exceptionally difficult circumstances without additional remuneration (e.g., duties in Northern Ireland) and partly because of this recruitment lagged. Consequently, effective 1 April 1975, the was raised to 10% (for men) and 5% (for women), or a maximum amount of £650 for a lieutenant colonel and tapering to £500 for a colonel and £300 for a brigadier. The X factor is not paid to the ranks of major general or higher. As the military factor is an integral part of the salary upon which deductions for retirement are made, it is considered in the pension base for computing the retirement annuity.

o X Factor, Limit and Structuring;

The pay of officers of the ranks of brigadier and higher comes within the jurisdiction of the Review Body on Top Salaries. At the higher levels of pay with which the Review Body on Armed Forces Pay are concerned, their recommendations generally are designed to ensure a sensible progression to the salary of the major general (£12,000 per annum

from 1 January 1975). The Review Body on Top Salaries took the view that for those senior officers within their terms of reference, the concept of an X Factor was not valid. The salaries they recommended followed normal practice both in the public service and the private sector to cover all the requirements of the job and all the conditions attached to it. It follows from this that, as part of the progression at the higher ranks, a smooth transition is needed and that, to some extent at the rank of colonel and to a greater extent at the brigadier level, the concept of an all-embracing pay scale becomes increasingly appropriate. Generally at these levels and below, the military salary is derived from comparison with the compensation of jobs in the private sector that require similar levels of skill and responsibility with the addition of the X factor. Above lieutenant colonel, those aspects of service life recognized in the X factor applied in decreasing degree, and accordingly, a measure of tapering of the upper limit was believed to be justified. The approach adopted by the Review Body on Top Salaries confirms this view. However, the Review Body on Armed Forces Pay saw no reason to depart from their practice of incorporating an X factor of 10 percent in pay scales up to and including lieutenant colonel. The upper limit of the X factor was therefore adjusted so that it would continue to apply at the same level as before. The concept of tapering the limit for colonels and brigadiers was retained.

● X Factor, Servicewomen:

In general, servicewomen are not exposed to danger on active service to the same extent as men because they do not undertake combat duties or serve at sea. They are also less liable to move from place to place. Not all the women's and nursing services are subject to the Service Discipline Acts, and military discipline is therefore applied less stringently to women than to men. On the other hand, like men, they may be required to work long hours and are liable for duty at all times. The degree of commitment to the services differs between members of the individual women's and nursing services and, in practice, women in general are not committed to the same extent as men.

So far as the X Factor is concerned, the British are satisfied that the present differential between servicemen and servicewomen is justified under the terms of Section 7 of the Equal Pay Act 1970. In that, there is "a distinction fairly attributable to differences between the obligation undertaken by men and those undertaken by women", and they consider that it should be retained. Consequently, the X Factor paid to women's and nursing services is established at 5 percent at those pay levels where it is 10 percent for men. At the ranks equivalent to lieutenant colonel, colonel, and brigadier where, for men, an upper limit is set, followed by tapering, a similar arrangement for women applies so that, at every level, a women's X Factor is one-half that for men, e.g., the X Factor for women; -- lieutenant colonel £325, colonel £250, and brigadier £150.

11. Quarters Charges.

Charges for quarters provided to the military forces are derived from a summary of local authority rents published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Officers' rents are calculated by floor area comparisons with the servicemen's basic rent for a Type C Married quarters. A maintenance charge which includes repairs to electrical and gas appliances and minor plumbing repairs are calculated into the quarters charges. A furniture charge is also included, as are water rates. Average utility charges for married quarters by floor area comparisons are calculated into the charges for single quarters. Standard government quarters and (government leased) rental charges are as shown on the next chart, effective 1 April 1975.¹

¹See Tab G for quarters charges effective 1 April 1976.

<u>Married Quarters</u>		
<u>Type¹</u>	<u>Average Floor Area (Sq. Meters)</u>	<u>Furnished* Rate/Year (£)</u>
Servicemen B	77	324.85
C	87	375.95
D/WO	115	438.00
Officers V	107	518.30
IV	126	613.20
III	142	693.50
II	195	784.75
I	246	876.00

*For unfurnished quarters the charges are approximately 90% of the rate for furnished quarters.

¹Servicemen Type B for married soldiers with no children, Type C for soldiers with 2 or 3 children, Type D for soldiers with 4 or more children or warrant officers.

Officers Type V for Second Lieutenant, Lieutenant and Captain.

Officers Type IV, Major.

Officers Type II, Lieutenant Colonel, Colonel, Brigadier.

Type II or I general officers pay for the type of quarter occupied.

The charges for utilities are paid by the occupant directly to the commercial supplier. The following are examples of rates paid in 1974 for the average yearly utilities, servicemen type C £ 200, officers type V £ 257, officers type IV £ 292.

<u>Single Accommodations</u>			
Rank	Rate/Year (£)	Utility/Year (£) (1974)	Total/Year (£)
CPL & Below (1/4 Type C Rent)	105.85	13.45	119.30
WO and SNCO (1/2 Type C Rent)	204.40	17.56	221.96
CPT & Below (1/2 Type V Rent)	288.35	29.77	318.12
MAJOR (1/2 Type IV Rent)	354.05	46.78	400.83
LTC and Above (1/2 Type III Rent)	394.20	46.78	440.98

Single Accommodations: It was judgmentally determined that charges for single quarters should be at 1/4 of the married quarters for junior enlisted personnel and 1/2 of the married quarters rate for higher grades.

Sub-standard quarters: It was also judgmentally determined that two thirds of the appropriate standard charge should be the charges applied when sub-standard accommodations are occupied.

Quarters aboard ship or in the field:¹ Charges for single accommodations are waived when an officer/serviceman is at sea or in the field for two nights or more. Single accommodation charges are not levied against married personnel who are separated from their families and who occupy single accommodations, eat in messes, etc. Charges for married accommodations of such personnel continue so long as their families occupy them, however.

Excess rent allowance: A non-taxable allowance is paid to officers and servicemen who are eligible for but unable to occupy (because of unavailability) public married accommodations. The purpose of the allowance is to compensate for the higher costs incurred in renting private married accommodations in the United Kingdom. The rate of allowance is the difference between the rent payable for the type of furnished married quarters for which the member is eligible and (a) the rent actually paid for the rented accommodation (exclusive of charges for fuel and light or garage), or (b) the appropriate rental ceiling for Ministry of Defence furnished rentals, whichever is less.

¹ See Tab H for definition of shipboard and field conditions where charges for Quarters are waived.

Lodging Allowance: The lodging allowance is a temporary non-taxable allowance provided to reimburse the average extra costs of food, accommodations, and incidental expenses of members on temporary duty (TDY). In those cases, where the London addition is paid, commuting expenses incurred by members on TDY are included in the allowance when government quarters are not available.

Rent Liability Compensation: A member is reimbursed for rent liability when, due to unforeseen circumstances incidental to his military service, he is unexpectedly transferred to another station or into government quarters at the same station. In order to be eligible for such compensation, the member must not have been occupying government quarters and he must have incurred expenses in vacating the private accommodations.

The member is compensated or reimbursed for such items are the following:

- (a) rent paid to the landlord.
- (b) any lump-sum payments in consideration of premature release from rent liability.
- (c) the cost of effecting a sublease.
- (d) in the case of a home belonging to the applicant, its rental value for the period during which it remained vacant and not rented, calculated on its gross annual value for rating purposes. The amount admissible in respect of the vacation of family accommodation is not to exceed equivalent of 91 days of the member's appropriate furnished quartering charges.

Refund of Expenses Associated with Property Purchase or Sale:

The purpose of this payment is to assist servicemembers to purchase or sell their houses within clearly defined limits. Married members are eligible for the refund of expenses if:

(a) the purchase or sale is the direct consequence of orders to a new permanent duty station away from their present location.

(b) they have completed at least nine years' service when the sale or purchase is completed.

Refund of legal and other expenses is admissible in respect of:

(a) one purchase and one sale (not necessarily in respect of the same property).

(b) married accommodation bought or sold:

(1) in the name of the officer or serviceman; or

(2) in the joint names of the officer or serviceman and his wife.

(c) The member has at least three years to serve at the date on which the purchase is completed, or the member has at least two years to serve in the case of a sale of his residence.

(d) a married quarter appropriate to entitlement is not left unoccupied at the new duty station as a result of the purchase.

12. Food Charges:

The food charge is adjusted, normally at annual intervals, by a formula based on the food element in the Retail Price Index. It is levied on single servicemen when they are on the ration strength of their unit, but not when they live off post, are on leave for 48 hours or more, or are serving at sea or in the field for two nights or more. Apart from these exceptions, the charge continues whether or not meals are taken, and for this reason the gross sum is reduced to take account of absences of less than 48 hours. The food charge effective 1 April 1976 is £ 5.41 a week.

Married Servicemen are charged for casual meals in the United Kingdom Service messes as follows, effective 22 June 1974:

Breakfast	13 p	
Main Meal	30 p	
Tea or Late Snack	7 p	23 p if only one evening
Supper or High Tea	16 p	meal is served
All Meals in One Day	66 p	

13. Traveling Expenses (to and from work):

Officers and enlisted personnel are, under certain conditions, entitled to a refund of commuting expenses between their residence and place of duty. These reimbursements vary with the members status, the type of

accommodation furnished, and the kind of transportation provided. In some circumstances, a "personal contribution" is charged against members towards the cost of their travel to and from work.¹

14. Commissary and Exchange (NAAFI):²

The British do not maintain a commissary or exchange system comparable to those in the U.S. Armed Forces. Where NAAFI stores are available, they are strictly for convenience (due to remoteness of the base or station) and there is not considered to be any real financial advantage to shopping in them. NAAFI stores are not subsidized by the government, but are financially self sufficient.

15. Life Insurance:

The British do not have a life insurance program similar to the Servicemen's Group Life Insurance of the United States. However, the various British armed services contract with private insurance companies for group insurance for their members.

16. Uniform Allowance:

Enlisted servicemembers receive an initial free issue, as well as subsequent replacement items as required.

¹ See Tab D for entitlements, refunds, maximum due, restrictions and personal contributions.

² NAAFI is an acronym for "Navy-Army-Air Force Institute."

Officers receive an allowance of £ 250 upon entry to purchase necessary uniforms. Thereafter, they receive an annual uniform allowance of £ 114. All of the officer's uniform allowances are tax exempt.

17. Additional Pay (Daily rates effective 1 April 1975).

Since the British have a pay structure based on job evaluation, they have no additional pay for skills and responsibilities that are taken fully into account in the system of job evaluation and are consequently accounted for in the military salary. However, they award additional pay where aspects of the work are not taken into account fully in job evaluation. Major forms of such additional pay include:

o Flying Pay:

Flying pay is awarded on a continuous basis to officers and other ranks who are qualified in, and accepted as fit for, flying duties, whether or not they are actually engaged in flying.

Officer flying pay varies with rank, to a maximum of £ 2.34 daily for the equivalent ranks of O-3 and O-4, and tapering to the rank of air commodore, after which it ceases. Its purpose is to attract into flying service suitable men with the necessary high standards of mental and physical fitness.

For officers serving as specialist air crew¹ (other than air load masters) flying pay varies with the length of service reaching a maximum of £ 5.11 daily after 13 years of specialist air crew.

¹ "Specialist air crew" is a category that includes specialities other than pilots and navigators; in the United States, many such functions are grouped under the designation of "non-crewmember."

An air load

master's maximum is £ 3.12 daily for the same length of service.

NCO flying pay varies with rank and specialty. Maximums of £ 1.62 daily apply to RAF and Army pilots and navigators, £ 0.98 to air gunners and air load masters, £ 2.16 daily to communications squadron sonar operators, £ 2.41 daily for Royal Marine pilots, and £ 0.44 daily to RAF crew members.

● Submarine Pay.

Submarine pay is payable to naval officers below the rank of captain and to all enlisted ratings qualified in submarines. Unlike flying pay, submarine pay is not awarded on a continuous basis, but only when the servicemember is either serving or is immediately liable for service in submarines. Submarine pay varies with rank, reaching a maximum for lieutenant and above of £ 2.06 daily. Its purpose is:

- o to attract the right caliber men to volunteer for submarine duty.
- o to retain experienced men in the submarine service.
- o as compensation for the higher risk of service in submarines.
- o as recognition of the special technical qualifications required.
- o as recognition of the higher level of responsibility, rank for rank, imposed on men in submarines as compared with surface ships.

- Parachute Pay.

Parachute pay is paid at a uniform rate to all qualified parachutists who are under an immediate liability for parachute duty. It is intended partly as "danger money" and partly as an incentive to attract the required number of the right type of men. Officers and enlisted personnel receive the same rate of parachute pay, £.65 daily. All parachute Jumping Instructor's Pay is at the rate of £0.75 daily.

- Diving Pay.

Qualification for diving pay requires regular diving practice and the completion of minimum periods of operational diving to prescribed depths. It is paid continuously to divers who remain qualified. Its purpose is to provide greater inducement to undertake diving work in the services and to stem the losses of divers that the services have been experiencing.

Diving pay is the same for every rank and branch of service. Divers are divided into 4 groups defined by the levels of skill, training required, and responsibilities undertaken. The system is progressive in the sense that it is designed to provide additional rewards for additional skills. The maximum diving pay for group-4 divers is £2.45 daily.

- Special Service Pay (Hydrographic).

Hydrographic pay varies with rank and is paid on a continuous basis to qualified officers and ratings in the Royal Navy Surveying

Service. It is designed partly as an inducement to attract sufficient volunteers to the surveying Service and partly to compensate for unfavorable conditions of service as compared with those in other branches of the Navy. The maximum hydrographic pay for a commander and captain is £ 1.38 daily.

18. Education.

- Education Allowance: (active duty)

Against the background of the serviceman's liability to frequent changes of station, the purpose of the education allowance is to assist him to provide continuity in the education of his children by sending them to a boarding school, or by placing them in the care of a guardian in order to attend a day school. Boarding school allowances are maximum annual sums. The serviceman's actual expenditures are reimbursed to that amount. Effective 1 April 1976 the maximum annual education allowance varies with the number of children; i.e. -- 1 child £ 879, 2 children £ 1758, 3 children £ 2805, for each subsequent child add £ 1089 per child. The allowance is related to an average boarding school fee which is £ 1400 annually at this time. Education allowances are not taxable when the serviceman is serving overseas. They are subject to tax when he serves in the United Kingdom, but are then increased to cover taxes to ensure that the same net allowance is available irrespective of the service location.

o Educational Assistance (upon completion of active duty):

Servicemembers are eligible for academic or vocational training at the conclusion of their active service. The training is administered by the Training Services Agency (TSA), a civil agency within the Department of Employment of the British government. TSA is responsible for a variety of national training services, including the Training Opportunities Scheme (TOPS) which exists to ensure individuals receive the training they need for employment. Candidates may be considered for eligibility in TOPS training courses who:

- a. Are aged 19 or over and have had at least 3 years away from full-time education.
- b. Intend to take up employment in the occupation for which the course is designed.
- c. Have not had a training course under TOPS or under the Government Vocational Training scheme during the previous 5 years.
- d. Are suited to the course of their choice.

Exceptions are made in a. and c., above for disabled personnel.

Former military personnel and civilians are eligible for job training (TOPS courses). These courses are free and in addition the trainee receives the following:

1. A weekly tax-free allowance, which varies with age and marital status; single (men or women) (age 20 and over) £19.40; married, with 3 dependents (maintaining 2 dependent children under age 19, £31.80; an

additional £ 2.00 is payable for the third and each additional child. If the trainee is provided with accommodations away from home the above weekly allowances are reduced by £ 2.50 and £ 1.00 respectively.

2. An earnings-related supplement, based on earnings in the relevant income-tax year, is paid in appropriate cases. This can amount to as much as £ 10.27 per week.

3. A free credit of National Insurance contributions is granted.

4. A lodging allowance is paid when trainees have to move from home for the purpose of training and are not accommodated in a residential establishment.

5. The cost of commuting to and from the training establishment is paid when the distance each way is more than two miles.

6. Free mid-day meals are provided, or where these are not available, an allowance of 40 p is paid in lieu thereof.

7. All of these allowances are exempt from income tax.

o Separation.

A separation allowance was introduced in 1970, and revised in 1975.

A distinction between separation overseas and separation within the United Kingdom is maintained. So is a distinction between continuous separation and separation for relatively short periods of time. Before

qualifying for payment of the allowance, the servicemember must complete 30 days of continuous separation and this period, on completion, qualifies the individual for a period of one year of eligibility for a separation allowance from the day immediately following the last day of the qualifying period. This day will be known as the individual's qualifying date. On completion of one year of separation from the qualifying date it is necessary for the individual to requalify, unless the separation continues, under which circumstances the payment would continue until the end of the period of separation. Payment of the allowance ceases on the initial day of any period of leave of 8 days or more in the country in which the wife is residing, or on the beginning date of any period of 8 days or more spent commuting daily from his wife's residence to a place of temporary duty. The allowance, which is taxable, is payable at the rate of 65 p daily for those stationed overseas or on sea duty. For all other circumstances, the rate is 50 p daily.

o Disturbance Allowance.

The Disturbance Allowance is a non-taxable allowance designed to help pay for the incidental expenses that arise when the requirements of the service make it necessary for servicemembers to move their families. As such, it is analogous to the U. S. dislocation allowance. The basic rate effective from 1 September 1975 for officers is £ 126, and £ 95 for other ranks. Additional sums for eligible children are the same

for officers and other ranks; i.e. -- one child £49, two children £90, and three or more children £104.

19. Health Coverage:

o Servicemember (Active Duty).

"Free" medical/dental service under the National Health Acts is available to all active duty personnel. Health care may be provided either by the nearest service medical/dental facilities, or by civilian medical/dental practitioners when personnel are not living on military installations. Personnel are charged a weekly "National Insurance" deduction which is complemented by a further payment by the Ministry of Defence. These payments provide insurance for medical care, state old age pensions, etc.

o Dependents of Active Duty Personnel.

An almost free medical service is provided to all British subjects under the National Health Acts. National Insurance contributions paid by service personnel provide entitlement to medical care for their dependents. Generally, military dependents use civilian medical facilities in the United Kingdom and military facilities overseas. In the former case, certain charges are assessed for prescription drugs, dental treatment and spectacles, but not for medical and hospital treatment as such. Free dental treatment is provided to dependents only if stationed abroad. Only treatment in military facilities is charged against the Defence budget.

o Retired Personnel and Their Dependents.

All retired personnel and their dependents are covered under the National Health Acts for medical care and attention. Treatment given is, almost without exception, provided from civilian resources, although on rare occasions pensioners and/or their dependents are admitted to service hospitals. Only in the latter case does any charge fall upon the Defence budget.

20. Retirement:

The United Kingdom has a non-contributory military pension program. However, active duty salary is directly reduced to cover the (imputed) "cost" of retirement. This "imputed" reduction has been in effect since 1970. On the average, the imputed contribution is 4.0% for officers and 2.5% for other ranks. The military pension program not only provides pensions after a normal career, but it also provides for the widows and families of deceased members as well as for members who are disabled or invalided.

The main elements of the program can be summarized as follows:

o Retirement Pensions.

Retirement pensions are based on the highest salary of the rank in which serving, not on the individual's actual salary; e.g., an officer of the rank of wing commander (U.S. equivalent O-5) with 25 years qualifying service retires 1 May 1975 after 2 years in the rank of wing

commander. His active duty annual salary rate was £ 6920; however, his retired pay would be computed from the maximum rate of salary for a wing commander which is after 8 years in rank, or £ 7457 annual salary. (salaries from Tab A, lieutenant colonel equivalent rank). The retired pay for a wing commander with 25 years qualifying service is £ 2669 annually. (Retired pay from Tab E-2).

For an "other ranks" (enlisted men), example, consider the case of an individual of the rank of sergeant serving in Band 4 with 25 years qualifying service retires 1 May 1975. His active duty annual salary rate was £ 3066; however, his retired pay would be computed from the maximum rate of salary for a sergeant which is the salary of a sergeant in Band 6 or £ 3526 annually. (Salaries from Tab A-2). The retired pay for a sergeant with 25 years qualifying service is £ 1284 annually (Retired pay from Tab E-4). Officers must complete 16 years' service, and other ranks 22 years' service to qualify for a minimum pension. The maximum pension is earned after 34 or 37 years respectively, and equates to approximately 48.5% of active duty salary

Creditable service for officers commences at age 21; therefore, to qualify for maximum pension with 34 years' service, an officer's normal career retirement age is 55 years. Creditable service for other rank commences at age 18; therefore, to qualify for maximum pension with 37 years' service, an other ranks member's normal career retirement age is also 55 years. The minimum pension for officers and other ranks is roughly 25% of salary at age 37 and 40 years respectfully.

When an officer's and other ranks' service creditable for retirement exceeds a given number of years (up to and including 33 years and 36 years respectively) by one or more days, his retired pay will be increased by the fraction produced by that number of days divided by 365, times the difference between the annual pension amount for the number of years service completed and the annual pension amount which he would have been awarded had he served an additional complete year.

The scales of retired pay and pension are revised annually on 1 April.¹ The changes in active duty salaries following pay reviews are reflected only in the pension rates for individuals currently retiring. The new retired pay and pension rates are payable to personnel who are on active duty on or after the day prior to the effective date of the revised pay rates. Servicemen retiring prior to completing a normal career receive a fixed annuity to age 55. When the retiree reaches age 55, his annuity is then adjusted by the total annual CPI increases since his retirement date and then adjusted annually thereafter. Servicemen retiring at age 55 receive the annual CPI increases at the effective date of the next retired pay and pension scales (1 April) following his retirement. For the purpose of military pension adjustment, all persons are deemed to have retired on 1 April irrespective of their actual retirement date. Pension increases are based upon a review of the cost of living over the period

¹ The rates of retired pay, pensions, and gratuities for women officers and women other ranks remain at approximately 95% of the appropriate male rate.

1 July to 30 June annually. Where the cost of living has increased by at least 4% in that time, pensions which have been in effect during the 12 month review period are increased from 1 December next by an appropriate percentage; this can be on a sliding scale for pensions which have been in effect for only part of the time.

Servicemembers (with 5 or more years' service) released prior to attaining retirement age qualify for a deferred pension at age 60, or have the choice of transferring such deferred pension funds to another pension plan.

o Commutation of Retired Pay:

Retired officers and enlisted members may apply to commute up to 50% of their retired pay to a lump sum payment.¹ If the Defence Council recommends the commutation, the officer will be so informed and his application will be forwarded to the Pension Commutation Board for consideration. The Board will require the officer to give such information as to his age, health, and habits as is usual in the case of persons proposing to insure their lives in insurance companies, and he will be required to take a physical examination by a medical officer of the Board. The decision of the Board will be final.

¹ See attached Tab C for provisions under the pensions commutation acts of 1871 and 1882.

o Terminal Grant:

British military retirees receive upon retirement a cash terminal grant equal to three times the annual rate of their pensions. This is a tax-free gratuity. Ministry of Defence officials state that their actuaries estimate that this combination of a tax free gratuity and the 48.5% retirement annuity (when taken at age 55) is the equivalent of approximately 75% of the service member's salary during his retirement years.

o Widows' Pensions.

The widow of a service retiree receives one-half of his pension, with an addition for children. If the member dies prior to retirement eligibility and has at least five years' service, she will receive a pension of about one-half of what his invalidating pension would have been if he had been invalided on the day of his death unless his death was attributable to, or aggravated by, his service. In that case, the widow, regardless of the length of her husband's service, will receive an attributable pension computed at 90% of the maximum retirement pension for her husband's rank, with an addition for children. A lump sum is also payable.¹

o Invaliding Pensions (Disability Retirement).

Those who are disabled because of a non-service caused illness or injury receive an invaliding pension provided they have served on active duty for at least five years, although there are some exceptions where 2 years service will qualify for an invaliding pension. This is

¹ See Tab I for lump sums payable to widows, effective from 1 April 1976

computed according to length of service, and is generally higher than the normal retirement pension. In the case of those disabled as the result of an injury or illness which is accepted as being attributable to or aggravated by their service, a more favorable attributable disability pension is payable, regardless of length of service, but based upon the degree of disability involved. In both cases, British disability retirees receive a terminal grant of three times the annual rate of the disability pension.

o State Social Security.

In addition to payments made under the Ministry of Defence Armed Forces Pension Scheme, virtually all service pensioners and their dependents qualify for benefits under the State Social Security Scheme.¹ The principal benefits are retirement (old age) pensions and widows' pensions. The annual military pensions are reduced by $\frac{1}{3}$ times the number of years of active service when the retired serviceman reaches the age of 65 and is in receipt of the Social Security old age pension. This integration of military and social security pensions therefore causes a maximum pension reduction of $\frac{1}{3}$ annually.

When a serviceman is killed or injured from service-connected reasons he or his survivors are awarded benefits authorized under the War Pensions Scheme. These benefits include disability pensions (assessed on the degree of disability) and widows and children's pensions

¹ Personnel are charged a weekly "National Insurance" deduction which is complemented by a further payment by the Ministry of Defence. These payments provide insurance for medical care, state old pensions, etc.

at higher rates than those payable under the ordinary State Scheme. A number of additional allowances (e.g. -- education allowance, unemployability allowance, constant attendance allowance) are payable to help the pensioner or his dependents to cope with his particular circumstances.

Under a new State Social Security Scheme, to be introduced in 1977/78, the existing flat-rate retirement pension will be replaced by an earnings-related retirement pension. Membership in the State Scheme will be compulsory between the ages of 16-65 (men) and 16-60 (women) unless the individual belongs to a contracted-out occupational scheme (such as the Armed Forces Pension Scheme). In this case, contributions at about 5% of earnings will be paid by the servicemember throughout his working life, and the Social Security pension thus earned is increased in line with the rise in the cost of living before payment. It will take this scheme 20 years to reach the state where full Social Security pensions will be paid.

21. Unemployment Compensation:

The Social Insurance program provides for up to 312 days of unemployment compensation.¹ The "National Insurance" deduction plus a further payment by the Ministry of Defence and a contribution from the Treasury out of general taxation fund this program.

22. Gratuities (Severance Pay).

Gratuities are payable to officers serving on permanent regular commissions who retire compulsorily for age, are involuntarily separated,

¹ Weekly unemployment compensation is divided into the following: (1) the unemployment benefit, single person £ 9.80, adult dependent £ 6.10, each child £ 3.10 (2) supplementary benefits, single person £ 9.60, married couple £ 15.65, and each child (amount varies with age) £ 2.75-7.65 (3) earnings related supplement, based on prior employment taxable earnings. (4) plus additional need related supplementary benefits i.e. free prescriptions,

or voluntarily resign before becoming eligible for retired pay, and who have at least 10 years' qualifying service (rates effective 1 April 1976). The amount of such severance gratuities are £ 3260 for 10 years' service, and £ 650 for each additional year. Regular officers with less than 10 years' service forced to resign for inefficiency or other "good of the service" reasons are awarded a gratuity of £ 265 for each year of service.

o Preservation of Pension Rights.

With effect from 1 April 1975, in compliance with the provisions of the Social Security Act 1973, a preserved pension scheme was introduced to benefit all service personnel who serve on or after 31 March 1975 and who leave the service before qualifying for immediate retired pay or pension, provided always that they have attained the age of 26 years and have given a minimum period of 5 years service including reckonable service before 31 March 1975.

The rate of preserved pension is computed as follows.

- a. Officers: For each year of reckonable service (from age 21), 3 per cent of the 34 year rate of service retired pay appropriate to the rank for service retired pay purposes.
- b. Servicemen or Servicewomen: For each year of service (from age 18), 2.75 per cent of the 37 year rate of service pension appropriate to the rank for service pension purposes.

A preserved terminal grant at three times the value of the annual preserved pension will also be paid.

The preserved pension and terminal grant will normally be paid when the officer or serviceman/servicewoman attains age 60, though payment may be made earlier if the pensioner becomes permanently incapable of working through physical or mental infirmity. The preserved pension when paid will be adjusted in accordance with such pensions increase measures as are applicable at the time of payment and the preserved terminal grant will be similarly adjusted.

From 1 April 1975, the award of a preserved pension payable at age 60 will extinguish entitlement to all gratuities presently payable to officers serving on pensionable commissions and to servicemen/service-women who leave the service before qualifying for any form of immediate retired pay or pension.

To assist resettlement into civilian life, resettlement grants outside the Armed Forces pension scheme may, subject to certain conditions, be paid to qualified personnel on leaving the service. The rates paid for the resettlement grant is as follows:

male officers	£ 1697
women officers	£ 1621
servicemen	£ 1209
servicewomen	£ 1155

Officers serving on pensionable commissions on or after 31 March 1975 who, but for the introduction of the preserved pension scheme, would be eligible for a gratuity may, if they leave the service before 1 April 1978, opt to receive a gratuity as presently authorized in place of preserved benefits, and resettlement grant if any.

The award of a tax free resettlement grant may be made to personnel awarded preserved pensions whose last day of service was on or after 31 March 1975, subject to satisfactory service and provided that

a. Officers have completed at least 9 years reckonable service (from age 21).

b. Servicemen/ servicewomen have completed at least 12 years reckonable service (from age 18).

TABS

- A Officers Military Salary Inclusive of X Factor,
Annual Rates, Effective 1 April 1975
- A-2 Warrant Officers' and Senior NCOs' Military Salary
Annual Rates, Inclusive of X Factor, Effective 1 April 1975
- A-3 Adult Servicemen of the Rank of Corporal and Below
Annual Rates, Inclusive of X Factor, Effective 1 April 1975
- B Women Officers' Military Salary Inclusive of X Factor
Annual Rates, Effective 1 April 1975
- C Provisions of the Pensions Commutation Acts 1871 and 1882
- D Traveling Expenses (to and from work)
- E Retirement Annuities Tabulation, Effective 1 April 1976
- F Limits of Refund of Expenses Incurred in Purchase and Sale
of Property
- G Quarters Charges, Effective 1 April 1976
- H Definition of Shipboard and Field Conditions Where Charges
for Quarters are Waived
- I Additional Lump Sums applicable to widows of men who
served on or after 31 March 1976.

United Kingdom

Male Officers' Military Salary Inclusive of X Factor

Effective 1 April 1975 Annual Rates ¹

<u>Rank</u>										<u>Scale</u> £
Field Marshal										23,000
General										21,000
Lieutenant General										15,000
Major General										12,000
Brigadier	...	...	...	...	...	...	...	...	...	10,001
Colonel	...	...	...	...	...	...	on appointment			8,169
							after 2 years			8,384
							4 years			8,599
							6 years			8,815
							after 8 years (maximum)			9,030
Lieutenant Colonel	...	...	...	...	...	...	on appointment			6,742
							after 2 years			6,920
							4 years			7,099
							6 years			7,278
							after 8 years (maximum)			7,457
Major	...	...	...	...	...	...	on appointment			5,103
							after 1 year			5,227
							2 years			5,351
							3 years			5,475
							4 years			5,599
							5 years			5,723
							6 years			5,847
							7 years			5,971
							after 8 years (maximum)			6,096
Captain...	...	...	...	...	...	...	on appointment			4,121
"							after 1 year			4,230
							2 years			4,340
							3 years			4,449
							4 years			4,559
							5 years			4,668
							after 6 years (maximum)			4,778
Lieutenant	...	...	...	...	...	...	on appointment			3,325
							after 1 year			3,413
							2 years			3,500
							3 years			3,588
							after 4 years (maximum)			3,676
Second Lieutenant	...	...	...	...	...	...				2,675

¹ Effective 1 April 1976 all personnel received a pay increase of £6 per week provided the new maximum pay was less than £8500 per annum. A portion of the £6 paid to bring salary up to £8500, but not beyond.

United Kingdom

Male Adult Servicemen of the Rank of Corporal and Below (other ranks)

Inclusive of X Factor Annual Rates (Effective 1 April 1975)¹

Scale B (men committed to 6 years or more but less than 9 years' service (a))	Band			
	4	5	6	7
	£	£	£	£
Warrant Officer I	3,599	3,818	4,059	4,322
Warrant Officer II	3,413	3,632	3,873	4,135
Staff Sergeant	3,234	3,453	3,694	3,957
Sergeant	3,066	3,285	3,526	--

(a) Scale A--(men committed to less than 6 years' service) deduct £2.10 per week from the above rates.

Scale C--(men committed to, or who have completed more than 9 years' service) add £3.15 per week to the above rates.

¹ Effective 1 April 1976 all personnel received a pay increase of £6 per week provided the new maximum pay was less than £8500 per annum.

United Kingdom

Male Adult Servicemen of the Rank of Corporal and Below (other ranks)

Inclusive of X Factor Annual Rates (Effective 1 April 1975)¹

Scale B (men committed to 6 years or more but less than 9 years' service)(a)	1	Band 2	3
	£	£	£
Corporal I	2,840	3,040	3,263
Corporal II	2,654	2,854	--
Lance Corporal I	2,478	2,679	2,902
Lance Corporal II	2,336	2,537	--
Lance Corporal III	2,205	2,405	--
Private I	2,205	2,405	2,628
Private II	2,081	2,281	--
Private III	1,964	2,164	--
Private IV	1,818	--	--

(a) Scale A--(men committed to less than 6 years' service)
deduct £2.10 per week from the above rates.

Scale C--(men committed to, or who have completed more
than 9 years' service) add £3.15 per week to the
above rates.

¹ Effective 1 April 1976 all personnel received a pay increase of £6 per week provided the new maximum pay was less than £8500 per annum.

United Kingdom

Women Officers' Military Salary Inclusive of X Factor

Effective 1 April 1975 Annual Rates ¹

Rank										Scale
										£
Brigadier	...	...	...	...	...	...	...	...	...	9,851
Colonel	...	...	...	...	...	on appointment				7,921
						after 2 years				8,136
						4 years				8,351
						6 years				8,567
						after 8 years (maximum)				8,782
Lieutenant Colonel	...	...	...	...	...	on appointment				6,435
						after 2 years				6,607
						4 years				6,778
						6 years				6,953
						after 8 years (maximum)				7,132
Major	...	...	...	...	...	on appointment				4,869
						after 1 year				4,990
						2 years				5,106
						3 years				5,227
						4 years				5,344
						5 years				5,464
						6 years				5,581
						7 years				5,701
						after 8 years (maximum)				5,818
Captain	...	...	...	...	...	on appointment				3,935
						after 1 year				4,037
						2 years				4,143
						3 years				4,249
						4 years				4,351
						5 years				4,457
						after 6 years (maximum)				4,559
Lieutenant	...	...	...	...	...	on appointment				3,176
						after 1 year				3,256
						2 years				3,340
						3 years				3,424
						after 4 years (maximum)				3,508
Second Lieutenant	...	...	...	...	...	...	...	...	...	2,555

NOTE: For the women of the other ranks, the military salary will be approximately 95.45% of the scale of the A rates for men of equivalent rank and pay band.

¹ Effective 1 April 1976 all personnel received a pay increase of £ 6 per week provided the new maximum pay was less than £ 8500 per annum. A portion of the £ 6 paid to bring salary up to £ 8500, but not beyond.

MINISTRY OF DEFENCE

GUIDE TO OFFICERS WHO MAY DESIRE TO COMMUTE THEIR RETIRED PAY UNDER THE PENSIONS COMMUTATION ACTS OF 1871 AND 1882

1. Any officer desirous of commuting his retired pay, or other payment of a like nature, under the Pensions Commutation Acts of 1871 and 1882, must complete MOD Form 64 and return it to the Ministry of Defence at the appropriate address:

Navy Dept - Principal Director of Accounts(Naval)
3B/RP, Warminster Road, Bath, Somerset

Army Dept - Controller, Army Pensions Office, London Road,
Stanmore, Middlesex.

Air Dept - P 2f(Air) Adastral House, Theobalds Road, London, W.C.1.

Application for the commutation of the Indian element of retired pay must be forwarded to the Officer i/c Pensions, Ministry of Overseas Development, Eland House, Bag Place, London, S.W.1.

2. No officer will be allowed to commute any portion of his retired pay who:

- a. is holding, or is about to hold, any appointment which involves the suspension of his retired pay, or,
- b. during time of war, is employed on active service or is eligible for such employment.

If the Defence Council recommends the commutation the officer will be so informed and his form of application will be forwarded to the Pensions Commutation Board for consideration. The Officer will then receive further instructions from that Board. It should be clearly understood that thereafter approval (or rejection) of commutation rests entirely with HM Treasury on the recommendation of the Pensions Commutation Board, and not with the Ministry of Defence.

3. Officers may apply to commute at any time after retirement, and there is no limit to the number of separate commutations that can be made provided that the aggregate sum commuted does not exceed the limits set out in paragraph 10. Although applications cannot be forwarded to the Pensions Commutation Board before the date of retirement, officers may, if they wish, submit the completed MOD Form 64 to the appropriate office of the Ministry of Defence within 28 days before retirement. The age next birthday quoted on the application should, where the application is made before retirement, be that following the date of retirement. The commutation procedure normally takes 10 to 12 weeks to complete. An officer who has been adjudicated bankrupt or has had a Receiving Order against him or is indebted to Public funds must disclose the facts and circumstances at the time of his application.

4. The Board will require the officer to give such information as to his age, health and habits as is usual in the case of persons proposing to insure their lives in insurance companies, and he will be required to submit himself for personal examination by the Medical Officer to the Board in London. Officers living in Scotland (and the English counties of Durham, Northumberland, Cumberland and Westmorland), Northern Ireland or the Republic of Ireland may, if they so desire, and if the Board see fit, be permitted to be examined by the Board's Medical Advisers in Edinburgh, Belfast or Dublin respectively. Officers abroad who desire to be examined abroad may apply to the Board accordingly, stating their reasons for making the request. The decision of the Board will be final.

5. If the applicant fails to give the desired information or to attend for a medical examination within a period of four months (six months if resident outside the United Kingdom or the Republic of Ireland) after the date of his application, such application will be treated as lapsed.

6. If the Treasury are unable to approve commutation the applicant will be informed accordingly.

7. If the Treasury approve the application, either on standard terms or on the basis of "added years" (see paragraph 12) the applicant will be given notice of the amount which would be payable on commutation. A fee of one per cent on this amount will be charged provided that such a fee is not less than £2. 10s. Od. nor more than £20. After receiving the notice referred to above an opportunity will be given to the applicant to withdraw his application on payment of a fee of £2. 10s. Od., if he does not wish commutation to take place on these terms. The period available to the applicant for the purpose of withdrawing his application, is thirty days (42 days in the case of an applicant not resident in the United Kingdom or the Republic of Ireland) beginning with the day on which the Board sent him their notice, or such longer period as the Treasury may allow in exceptional circumstances. If he does wish commutation to take place, he may so inform the Board, without waiting for the end of the time allowed for withdrawal, and either notify them that he is desirous of having a cheque sent to him or his Agent, or attend personally to collect the cheque. If the applicant does not take either of these steps within the period allowed, commutation will automatically take place on the day following the expiration of the period.

8. An applicant will continue to draw his pension until it is commuted, that is, down to whichever of the following dates is applicable in his case - the day on which a cheque is posted to him, or his Agent, the day on which he collects a cheque, or the day on which commutation takes place automatically as described above.

9. It should be appreciated that if an applicant dies before the pension he has applied to commute ceases under the terms of the preceding paragraph the pension itself will have expired and no capital sum will then be payable in commutation of it.

10. An officer whose retired pay is £300 a year or more may commute not more than one half thereof. If his retired pay is less than £300 a year he must leave £150 a year uncommuted (in certain special cases, however, where retired pay is less than £180 a year he may be permitted to commute a sum not exceeding £30 a year provided that the amount remaining uncommuted is not reduced below £120 a year).

11. The above provisions as to limit of commutation do not apply to an Officer promoted from the ranks to an emergency commission in the 1939/45 war while serving on a normal regular engagement and whose retired pay is less than £225 a year. In this case retired pay up to, but not more than, one third, may be commuted, subject to the proviso that, if the retired pay is less than £90 a year, an amount of £60 a year must be left uncommuted.

12. The basis of the commutation will be the following table subject to an addition of years of age in the case of impaired lives:

Age Next Birthday	Commu-tation Rate	Capital sum for each £100 of Pension	Age Next Birthday	Commu-tation Rate	Capital sum for each £100 of Pension
		£ s. d.			£ s. d.
30	14.897	1,489 14 0	60	10.063	1,006 6 0
31	14.811	1,481 2 0	61	9.823	982 6 0
32	14.721	1,472 2 0	62	9.581	958 2 0
33	14.624	1,462 8 0	63	9.339	933 18 0
34	14.522	1,452 4 0	64	9.092	909 4 0
35	14.415	1,441 10 0	65	8.845	884 10 0
36	14.304	1,430 8 0	66	8.593	859 6 0
37	14.188	1,418 16 0	67	8.339	833 18 0
38	14.072	1,407 4 0	68	8.086	808 12 0
39	13.948	1,394 16 0	69	7.833	783 6 0
40	13.819	1,381 18 0	70	7.579	757 18 0
41	13.683	1,368 6 0	71	7.331	733 2 0
42	13.542	1,354 4 0	72	7.084	708 8 0
43	13.401	1,340 2 0	73	6.839	683 18 0
44	13.252	1,325 4 0	74	6.602	660 4 0
45	13.104	1,310 8 0	75	6.367	636 14 0
46	12.946	1,294 12 0	76	6.139	613 18 0
47	12.781	1,278 2 0	77	5.916	591 12 0
48	12.613	1,261 6 0	78	5.698	569 16 0
49	12.436	1,243 12 0	79	5.485	548 10 0
50	12.250	1,225 0 0	80	5.283	528 6 0
51	12.060	1,206 0 0	81	5.073	507 6 0
52	11.860	1,186 0 0	82	4.843	484 6 0
53	11.656	1,165 12 0	83	4.593	459 6 0
54	11.442	1,144 4 0	84	4.333	433 6 0
55	11.225	1,122 10 0	85	4.081	408 2 0
56	11.003	1,100 6 0	86	3.851	385 2 0
57	10.774	1,077 8 0	87	3.631	363 2 0
58	10.541	1,054 2 0	88	3.421	342 2 0
59	10.305	1,030 10 0	89	3.211	321 2 0
			90	3.000	300 0 0

13. The undermentioned awards are not commutable:

a. Additional retired pay which has been awarded wholly in respect of an attributable disability and which is calculated according to the degree of disablement.

b. Disability element of disability retired pay.

c. Additions to retired pay authorised under various Pensions (Increase) measures.

d. Special pensions not being Service retired pay.

14. Once commutation has been made, it is final and the portion of retired pay commuted cannot in any circumstances be restored or reconverted to retired pay.
15. If an officer who has commuted a part of his retired pay is re-employed on terms which provide for the suspension of such retired pay, an amount equal to the sum commuted will be deducted from his full pay during the period of his re-employment.
16. Officers are reminded that retired pay which has been commuted does not qualify for an award under Pensions (Increase) measures introduced subsequently. On the other hand, commutation will not normally reduce any award of Forces Family Pension admissible should the retired officer predecease his wife.
17. Officers are advised not to undertake any specific commitments concerning the capital sum which they seek to realise until the decision of the Pensions Commutation Board is known.
18. The question of the incidence of United Kingdom Income Tax and Capital Gains Tax on the capital sum realised by commutation is for the Commissioners of Inland Revenue, but it is understood that, at present, the capital sum is regarded as being free from liability for United Kingdom tax, but any annual income or profit arising, or deemed to arise, from investments, etc of the capital sum, is taxable in the normal way.
19. Mechanisation of accounting has necessitated the elimination of odd pence a year from officers' retired pay: commutation must be for a sum which will not disturb this arrangement.
20. When an officer is permanently resident abroad, the capital sum realised as the result of commutation can be paid only to a nominated Bank or agent in the United Kingdom.
21. These rules are subject to change and may be altered without notice.

ANNEX B to CHAPTER 4

TABLE SHOWING REFUNDS OF EXPENSES, MILEAGE ALLOWANCES DUE AND LIABILITY TO PERSONAL CONTRIBUTIONS FOR RESIDENCE TO PLACE OF DUTY TRAVEL

Status of Officer or Soldier	Type of Accommodation	Service or hired transport provided	Entitled to:		Amounts for Refund Maximum due	Any Restriction		Personal Contribution	
			Allowances for personal vehicle	Refund of Expenses on transport		Yes/No	Amount per week	Liabe	Amount per week
Single and married unaccompanied	Barracks or approved lodgings	Yes No	No Yes	Yes—to "pick up" point Yes Yes	Actual expenditure by train or bus or distance $\times 3.7p$ per mile Distance $\times 3.7p$ per mile	No No	N/A N/A	No No	N/A N/A
Single and married unaccompanied	Lodgings	Yes or No	Yes	Yes	Actual expenditure by bus or train otherwise distance $\times 3.7p$ per mile	Yes	£6.15	Yes	115p
Single and married unaccompanied	Exempt public accommodation	Yes or No	Yes	Yes	Nil	No	N/A	No	N/A
Single and married unaccompanied	Public married	Yes or No	Yes	Yes	Nil	No	N/A	Yes	115p
Single and married unaccompanied	Private—live out by request	Yes No	No No	No No	Actual expenditure by train or bus or distance $\times 3.7p$ per mile	N/A N/A	N/A N/A	Yes No	115p N/A
Married accompanied	Married quarters	Yes or No	Yes	Yes	Nil	unless special case	N/A	Yes	115p
Quarter vacated last 12 months	Private	Yes or No	Yes	Yes	Distance $\times 3.7p$ per mile	No	N/A	Yes	115p
Married accompanied	Private	Yes or No	Yes	Yes	Distance $\times 3.7p$ per mile	Yes	£6.15	Yes	115p
Married accompanied but on posting retains accommodation or rejoins family	Private	Yes or No	Yes	Yes	Actual expenditure by train or bus or distance $\times 3.7p$ per mile	No	N/A	Yes	115p
Overseas: All classes	N/A	Taxis authorised	N/A	N/A	Rate per mile based on cost and maximum number of permitted passengers	No		Yes	115p

ANNEX "A" to CHAPTER 4
 RESIDENCE TO PLACE OF DUTY TRAVEL
 MILEAGE ALLOWANCES ADMISSIBLE IN THE
 UNITED KINGDOM WHEN A PRIVATE VEHICLE IS
 USED FOR DAILY TRAVEL TO DUTY

Motor cars, motor cycles (over 150 cc), taxis and aircraft	.. 3. 7p per mile
Motor cycles (under 150 cc)	2. 2p per mile
Cycles .. .. .	.. 1. 8p per mile

OFFICERS' SERVICE RETIRED PAY - NORMAL RATES - EFFECTIVE FROM 1 APRIL 1976

NUMBER OF YEARS RECKONABLE SERVICE OVER AGE 21	RANK						CHAPLAINS		
	FLIGHT LIEUTENANT	FLIGHT LIEUTENANT (SPECIALIST AIRCREW)	SQUADRON LEADER	WING COMMANDER	GROUP CAPTAIN	AIR COMMODORE	BELOW PRINCIPAL CHAPLAIN	PRINCIPAL CHAPLAIN	CHAPLAIN IN CHIEF
	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
*16	1451	1451	1685	2061			1635	1873	
17	1515	1542	1764	2156			1821	2006	
18	1579	1634	1843	2251	2640		1957	2138	
19	1643	1725	1922	2345	2749		2093	2271	
20	1707	1816	2001	2440	2858		2229	2403	
21	1772	1908	2080	2535	2967		2366	2536	
22	1836	1999	2159	2630	3075	3517	2502	2668	3517
23	1900	2090	2238	2725	3184	3628	2638	2801	3548
24	1964	2182	2317	2820	3293	3739	2774	2933	3700
25	2028	2273	2396	2914	3401	3850	2910	3066	3911
26	2092	2364	2476	3009	3510	3961	3046	3198	4042
27	2156	2456	2555	3101	3619	4072	3182	3331	4174
28	2220	2547	2634	3199	3728	4183	3318	3463	4305
29	2284	2638	2713	3294	3836	4294	3454	3596	4436
30	2349	2730	2792	3389	3945	4406	3591	3728	4568
31	2413	2821	2871	3483	4054	4517	3727	3861	4699
32	2477	2912	2950	3578	4163	4628	3863	3993	4830
33	2541	3004	3029	3673	4271	4739	3999	4126	4962
+ 34	2605	3095	3108	3768	4380	4850	4135	4258	5093

* MINIMUM RATES

+ MAXIMUM RATES

WOMEN OFFICERS' SERVICE RETIRED PAY - NORMAL RATES - EFFECTIVE FROM 1 APRIL 1976

NUMBER OF YEARS RECKONABLE SERVICE OVER AGE 21	RANK				
	FLIGHT LIEUTENANT/ OFFICER	SQUADRON LEADER/ OFFICER	WING COMMANDER/ OFFICER	GROUP CAPTAIN/ OFFICER	AIR COMMODORE/ COMMANDANT
	£ a year	£ a year	£ a year	£ a year	£ a year
*16	1386	1609	1968		
17	1447	1685	2059		
18	1508	1760	2150	2561	
19	1569	1836	2239	2667	
20	1630	1911	2330	2772	
21	1692	1986	2421	2878	
22	1753	2062	2512	2983	3464
23	1815	2137	2602	3088	3574
24	1876	2213	2693	3194	3683
25	1937	2288	2783	3299	3792
26	1998	2365	2874	3405	3902
27	2059	2440	2964	3510	4011
28	2120	2515	3055	3616	4120
29	2181	2591	3146	3721	4230
30	2243	2666	3236	3827	4340
31	2304	2742	3326	3932	4449
32	2366	2817	3417	4038	4559
33	2427	2893	3508	4143	4668
+34	2488	2968	3598	4249	4777

* MINIMUM RATES

+ MAXIMUM RATES

OFFICERS' GRATUITIES

OFFICERS SERVING ON PERMANENT COMMISSIONS	MALE OFFICERS	WOMEN OFFICERS
	£	£
1. Officers on permanent commissions with at least 10 years qualifying service (QR 2939(2)(a))		
First ten years	3260	3113
For each additional year	650	621
2. Women officers on permanent commissions with at least 4 years commissioned service (QR 2939(5)(b))	-	311
3. Officers on permanent commissions discharged for unsuitability etc (with less than 10 years qualifying service) (QR 2939(2)(c)(ii))		
For each year except the first	265	253
4. Officers appointed to direct entry commissions on the Supplementary Flying List on or after 6 February 1964 (QR 2939(7))		
8 years service	3960	-
OFFICERS SERVING ON SHORT SERVICE COMMISSIONS		
5. Ground Branches for each year of service (QR 2953(4))	495	473

AIRMEN'S PENSIONS - NORMAL RATES**EFFECTIVE FROM 1 APRIL 1976**

Number of years Qualifying Service Over age 18	AIRCRAFTMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
	£ a year	£ a year	£ a year	£ a year	£ a year
22	952	1160	1261	1386	1514
23	985	1201	1305	1434	1570
24	1019	1241	1349	1483	1625
25	1052	1282	1393	1531	1681
26	1085	1322	1437	1579	1737
27	1118	1363	1481	1628	1793
28	1152	1403	1525	1676	1848
29	1185	1444	1569	1724	1904
30	1218	1484	1614	1773	1960
31	1251	1525	1658	1821	2016
32	1285	1565	1702	1869	2071
33	1318	1606	1746	1918	2127
34	1351	1646	1790	1966	2183
35	1384	1687	1834	2014	2239
36	1418	1727	1878	2063	2294
37	1451	1768	1922	2111	2350

Additions for Commissioned Service

£24 a year for each year of Commissioned Service subject to a maximum award of pension of £2423.

AIRWOMEN'S PENSIONS - NORMAL RATESEFFECTIVE FROM 1 APRIL 1976

Number of Years Qualifying Service Over age 18	AIRCRAFT- WOMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
22	£ a year 909	£ a year 1108	£ a year 1204	£ a year 1324	£ a year 1446
23	941	1147	1246	1369	1499
24	973	1185	1288	1416	1552
25	1005	1224	1330	1462	1605
26	1036	1263	1372	1508	1659
27	1068	1302	1414	1555	1712
28	1100	1340	1456	1601	1765
29	1132	1379	1498	1646	1818
30	1163	1417	1541	1693	1872
31	1195	1456	1583	1739	1925
32	1227	1495	1625	1785	1978
33	1259	1534	1667	1832	2031
34	1290	1572	1709	1878	2085
35	1322	1611	1751	1923	2138
36	1354	1649	1793	1970	2191
37	1386	1688	1836	2016	2244

Additions for Commissioned Service

£22.92 a year for each year of Commissioned Service subject to a maximum award of pension of £2314.

AIRCREW GRATUITIESSHORT SERVICE AIRCREW
PER YEAR OF SERVICE WHILST MUSTERED

	£
As Pilot or Navigator	295
As Air Signaller, Air Engineer, Air Gunner or Radio Observer	250
As Air Loadmaster	195
As Air Loadmaster (WRAP)	185

OFFICERS' SERVICE INVALENT RETIRED PAY - EFFECTIVE FROM 1 APRIL 1976

NUMBER OF YEARS RECEIVABLE SERVICE OVER AGE 21	RANK						CHAPLAINS		
	FLIGHT LIEUTENANT	FLIGHT LIEUTENANT (SPECIALIST AIRCREW)	SQUADRON LEADER	WING COMMANDER	GROUP CAPTAIN	AIR CHIEF OF STAFF	DEPUTY PRINCIPAL CHAPLAIN	PRINCIPAL CHAPLAIN	CHAPLAIN- IN- CHIEF
2	£ a year 313	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year	£ a year
3	469								
4	625								
5	782								
6	852								
7	922								
8	992								
9	1062								
10	1133								
11	1203								
12	1273								
13	1343								
14	1413								
15	1483								
16	1553								
17	1623								
18	1693								
19	1764								
20	1834								
21	1904								
22	1974								
23	2044								
24	2114								
25	2184								
26	2254								
27	2325								
28	2395								
29	2465								
30	2535								
31	2605								
32	2675								
33	2745								
34	2815								
35	2885								
36	2955								
37	3025								
38	3095								
39	3165								
40	3235								
41	3305								
42	3375								
43	3445								
44	3515								
45	3585								
46	3655								
47	3725								
48	3795								
49	3865								
50	3935								
51	4005								
52	4075								
53	4145								
54	4215								
55	4285								
56	4355								
57	4425								
58	4495								
59	4565								
60	4635								
61	4705								
62	4775								
63	4845								
64	4915								
65	4985								
66	5055								
67	5125								
68	5195								
69	5265								
70	5335								
71	5405								
72	5475								
73	5545								
74	5615								
75	5685								
76	5755								
77	5825								
78	5895								
79	5965								
80	6035								
81	6105								
82	6175								
83	6245								
84	6315								
85	6385								
86	6455								
87	6525								
88	6595								
89	6665								
90	6735								
91	6805								
92	6875								
93	6945								
94	7015								
95	7085								
96	7155								
97	7225								
98	7295								
99	7365								
100	7435								

WOMEN OFFICERS' SERVICE INVALIDING RETIRED PAY - EFFECTIVE FROM 1 APRIL 1976

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NUMBER OF YEARS RECKONABLE SERVICE OVER AGE 21	RANK				
	FLIGHT LIEUTENANT/ OFFICER	SQUADRON LEADER / OFFICER	WING COMMANDER/ OFFICER	GROUP CAPTAIN/ OFFICER	AIR COMMODORE/ COMMANDANT
	£ a year	£ a year	£ a year	£ a year	£ a year
2	299				
3	448				
4	597				
5	747	890	1079	1275	1433
6	814	970	1176	1389	1562
7	881	1050	1273	1504	1690
8	947	1130	1369	1618	1819
9	1014	1210	1467	1732	1947
10	1082	1289	1563	1847	2076
11	1149	1369	1661	1961	2204
12	1216	1450	1757	2075	2333
13	1283	1530	1855	2189	2463
14	1349	1609	1951	2304	2591
15	1416	1689	2048	2418	2720
16	1483	1770	2145	2533	2848
17	1550	1849	2242	2647	2977
18	1617	1929	2339	2762	3106
19	1685	2009	2435	2876	3234
20	1752	2089	2533	2991	3363
21	1818	2169	2629	3105	3491
22	1885	2249	2727	3219	3620
23	1952	2329	2823	3334	3748
24	2019	2409	2920	3448	3877
25	2086	2489	3017	3562	4006
26	2152	2569	3114	3676	4134
27	2220	2648	3211	3791	4263
28	2287	2728	3308	3905	4391
29	2354	2809	3405	4020	4520
30	2421	2889	3502	4134	4648
31	2488	2968	3598	4249	4777
32	2488	2968	3598	4249	4777
33	2488	2968	3598	4249	4777
34	2488	2968	3598	4249	4777

AIRMAN - SERVICE INVALIDING PENSIONSEFFECTIVE FROM 1 APRIL 1976

Number of Years Qualifying Service Over Age 18	AIRCRAFTMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
	£ a Year	£ a Year	£ a Year	£ a Year	£ a Year
5	399	486	529	581	646
6	435	530	577	634	705
7	472	574	625	687	764
8	508	619	673	739	822
9	544	663	721	792	881
10	580	707	769	845	940
11	617	751	817	898	999
12	653	795	865	950	1057
13	689	840	913	1003	1116
14	725	884	961	1056	1175
15	762	928	1009	1109	1234
16	798	972	1057	1161	1292
17	834	1016	1105	1214	1351
18	871	1061	1153	1267	1410
19	907	1105	1201	1320	1469
20	943	1149	1250	1372	1527
21	979	1193	1298	1425	1586
22	1016	1238	1346	1478	1645
23	1052	1282	1394	1531	1704
24	1088	1326	1442	1583	1762
25	1125	1370	1490	1636	1821
26	1161	1414	1538	1689	1880
27	1197	1459	1586	1742	1939
28	1233	1503	1634	1794	1997
29	1270	1547	1682	1847	2056
30	1306	1591	1730	1900	2115
31	1342	1635	1778	1953	2174
32	1378	1680	1825	2005	2232
33	1415	1724	1874	2058	2291
34	1451	1768	1922	2111	2350
35	1451	1768	1922	2111	2350
36	1451	1768	1922	2111	2350
37	1451	1768	1922	2111	2350

AIRCRAFT - SERVICE INVALIDING PENSIONS

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EFFECTIVE FROM 1 APRIL 1976

Number of Years Qualifying Service Over Age 18	AIRCRAFT- WOMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
	£ a year	£ a year	£ a year	£ a year	£ a year
5	381	464	505	555	617
6	415	506	551	605	673
7	451	548	597	656	730
8	485	591	643	706	785
9	520	633	689	756	841
10	554	675	734	807	898
11	589	717	780	858	954
12	624	759	826	907	1009
13	658	802	872	958	1066
14	692	844	918	1008	1122
15	728	886	964	1059	1178
16	762	928	1009	1109	1234
17	796	970	1055	1159	1290
18	832	1013	1101	1210	1347
19	866	1055	1147	1261	1403
20	901	1097	1194	1310	1458
21	935	1139	1240	1361	1515
22	970	1182	1285	1411	1571
23	1005	1224	1331	1462	1627
24	1039	1266	1377	1512	1683
25	1074	1308	1423	1562	1739
26	1109	1350	1469	1613	1795
27	1143	1393	1515	1664	1852
28	1178	1435	1560	1713	1907
29	1213	1477	1606	1764	1963
30	1247	1519	1652	1815	2020
31	1282	1561	1698	1865	2076
32	1316	1604	1744	1915	2132
33	1351	1646	1790	1965	2188
34	1386	1688	1836	2016	2244
35	1386	1688	1836	2016	2244
36	1386	1688	1836	2016	2244
37	1386	1688	1836	2016	2244

SERVICE INVALIDING GRATUITIESEFFECTIVE FROM 1 APRIL 1976OFFICERS

NUMBER OF YEARS QUALIFYING SERVICE OVER AGE 18	RANK		
	FLIGHT LIEUTENANT	CHAPLAIN	FLIGHT LIEUTENANT/ OFFICER (WRAF)
2	£ 782	£ 782	£ 747
3	1172	1172	1119
4	1563	1563	1493

AIRMEN

QUALIFYING SERVICE	AIRCRAFTMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
2	£ 399	£ 486	£ 529	£ 581	£ 646
3	599	729	793	871	969
4	798	972	1057	1161	1293

AIRWOMEN

QUALIFYING SERVICE	AIRCRAFTWOMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
2	£ 381	£ 464	£ 505	£ 555	£ 617
3	572	696	757	832	925
4	762	928	1009	1109	1235

OFFICERS' - MINIMUM RATES OF SERVICE ALLOWANCE & RETIRED PAY

EFFECTIVE FROM 1 APRIL 1971

% DEGREE OF DISABILITY	RANK						CHAPLAINS		
	FLIGHT LIEUTENANT	FLIGHT LIEUTENANT (SPECIALIST ATC/EN)	SQUADRON LEADER	WING COMMANDER	GROUP CAPTAIN	AIR COMMODORE	BELOW * PRINCIPAL CHAPLAIN	PRINCIPAL CHAPLAIN	CHAPLAIN IN CHIEF
20	£ a year 815	£ a year 1011	£ a year 1016	£ a year 1280	£ a year 1525	£ a year 1713	£ a year 1427	£ a year 1426	£ a year 1810
30	961	1206	1213	1543	1849	2084	1726	1738	2205
40	1108	1402	1410	1806	2173	2455	2026	2100	2601
50	1355	1753	1763	2258	2717	3069	2533	2625	3251
60	1512	1949	1960	2521	3041	3440	2833	2937	3747
70	1679	2145	2157	2784	3365	3812	3133	3249	4043
80	2043	2598	2613	3361	4055	4587	3777	3916	4853
90	2190	2794	2810	3624	4379	4959	4077	4228	5258
100	2337	2990	3007	3887	4703	5330	4377	4541	5654

*Chaplains with less than 20 years service minimum rate is the same as that for a Squadron Leader.

WOMEN OFFICERS' MINIMUM RATES OF SERVICE ATTRIBUTABLE RETIRED PAY
EFFECTIVE FROM 1 APRIL 1976

% DEGREE OF DISABILITY	RANK				
	FLIGHT LIEUTENANT/ OFFICER	SQUADRON LEADER/ OFFICER	WING COMMANDER/ OFFICER	GROUP CAPTAIN/ OFFICER	AIR COMMODORE/ COMMANDANT
	£ a year	£ a year	£ a year	£ a year	£ a year
20	768	960	1212	1472	1683
30	903	1143	1458	1783	2047
40	1038	1326	1704	2095	2412
50	1298	1658	2130	2618	3014
60	1433	1841	2376	2930	3378
70	1568	2024	2622	3241	3742
80	1910	2454	3168	3906	4505
90	2045	2637	3414	4217	4869
100	2181	2821	3661	4529	5233

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MINIMUM ANNUAL RATES OF ATTRIBUTABLE PENSION

EFFECTIVE FROM 1 APRIL 1976

(A) AIRMEN'S RATES

PERCENTAGE DEGREE OF DISABILITY	AIRCRAFT- MAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
	£ a year	£ a year	£ a year	£ a year	£ a year
20	353	480	541	617	713
30	384	543	620	714	834
40	416	606	699	812	955
50	520	758	873	1015	1194
60	551	821	952	1112	1315
70	583	884	1030	1210	1437
80	735	1094	1269	1483	1754
90	767	1157	1347	1581	1875
100	798	1221	1426	1678	1997

(B) AIRWOMEN'S RATES

PERCENTAGE DEGREE OF DISABILITY	AIRCRAFT- WOMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
	£ a year	£ a year	£ a year	£ a year	£ a year
20	327	448	507	579	670
30	352	503	577	667	781
40	377	558	647	755	892
50	471	698	809	944	1115
60	496	753	879	1032	1225
70	521	808	948	1119	1336
80	661	1004	1171	1375	1634
90	686	1059	1241	1463	1745
100	711	1114	1311	1551	1855

OFFICERS' ADDITIONAL ATTRIBUTABLE GRATUITIES

EFFECTIVE FROM 1 APRIL 1976

GRADE OF DISABILITY	RANK						CHAPLAINS		
	FLIGHT LIEUTENANT	FLIGHT LIEUTENANT (SPECIALIST AIRCREW)	SQUADRON LEADER	WING COMMANDER	GROUP CAPTAIN	AIR COMMODORE	DEPUTY PRINCIPAL CHAPLAIN	PRINCIPAL CHAPLAIN	CHAPLAIN IN CHIEF
20	£ 521	£ 619	£ 622	£ 754	£ 876	£ 970	£ 827	£ 852	£ 1019
30	782	929	932	1130	1314	1455	1241	1277	1528
40	1042	1238	1243	1507	1752	1940	1654	1703	2037
50	1303	1548	1554	1884	2190	2425	2068	2129	2547
60	1563	1857	1865	2261	2628	2910	2481	2555	3056
70	1824	2167	2176	2638	3056	3395	2895	2981	3565
80	2084	2476	2486	3014	3504	3880	3308	3402	4074
90	2345	2786	2797	3391	3942	4365	3722	3832	4584
100	2605	3095	3108	3768	4380	4850	4135	4252	5093

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WOMEN OFFICERS' ADDITIONAL ATTRIBUTABLE GRATUITIES

EFFECTIVE FROM 1 APRIL 1976

% DEGREE OF DISABILITY	RANK				
	FLIGHT LIEUTENANT/ OFFICER	SQUADRON LEADER/ OFFICER	WING COMMANDER/ OFFICER	GROUP CAPTAIN/ OFFICER	AIR COMMODORE/ COMMANDANT
	£	£	£	£	£
20	498	594	720	850	955
30	747	890	1079	1275	1433
40	995	1187	1439	1699	1911
50	1244	1484	1799	2124	2389
60	1493	1781	2159	2549	2866
70	1742	2078	2519	2974	3344
80	1990	2374	2878	3399	3822
90	2239	2671	3238	3824	4300
100	2488	2968	3598	4249	4777

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ADDITIONAL ATTRIBUTABLE GRATUITIES

EFFECTIVE FROM 1 APRIL 1976

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(A) AIRMENS RATES

PERCENTAGE DEGREE OF DISABILITY	AIRCRAFT- MAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
20	£ 290	£ 354	£ 384	£ 422	£ 470
30	435	530	577	633	705
40	580	707	769	844	940
50	726	884	961	1056	1175
60	871	1061	1153	1267	1410
70	1016	1238	1345	1478	1645
80	1161	1414	1538	1689	1880
90	1306	1591	1730	1900	2115
100	1451	1768	1922	2111	2350

(B) AIRWOMENS RATES

PERCENTAGE DEGREE OF DISABILITY	AIRCRAFT- WOMAN	CORPORAL	SERGEANT	FLIGHT SERGEANT	WARRANT OFFICER
20	£ 277	£ 338	£ 367	£ 403	£ 449
30	415	506	551	605	673
40	554	675	734	806	898
50	693	844	918	1008	1122
60	832	1013	1101	1210	1347
70	970	1182	1284	1411	1571
80	1109	1350	1469	1613	1795
90	1247	1519	1652	1815	2020
100	1386	1688	1836	2016	2244

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ATTRIBUTABLE FORCES FAMILY PENSIONS
EFFECTIVE FROM 1 APRIL 1976

RANK	WIDOW'S PENSION	*CHILD	*MOTHERLESS CHILD
<u>OFFICERS' WIDOWS</u>	£ a year	£ a year	£ a year
Flight Lieutenant	2141	521	1042
Flight Lieutenant (Specialist Aircrew)	2582	619	1238
Squadron Leader	2594	622	1243
Wing Commander	3172	754	1507
Group Captain	3739	975	1752
Air Commodore	4162	970	1940
Chaplain (less than 20 years)	2594	622	1243
Chaplain	3518	827	1654
Principal Chaplain	3629	952	1703
Chaplain in Chief	4380	1019	2037
<u>AIRMEN'S WIDOWS</u>			
Aircraftman	1103	290	580
Corporal	1388	354	707
Sergeant	1526	384	769
Flight Sergeant	1597	422	844
Warrant Officer	1912	470	940

* Up to maximum of 4

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ADDITIONAL ATTRIBUTABLE GRATUITIES
EFFECTIVE FROM 1 APRIL 1974

OFFICER'S WIDOWS	GRATUITY £	AIRCRAFTMAN'S WIDOWS	GRATUITY £
Flight Lieutenant	1303	Aircraftman	726
Flight Lieutenant (Specialist Aircrew)	1548	Corporal	894
Squadron Leader	1554	Sergeant	961
Wing Commander	1884	Flight Sergeant	1056
Group Captain	2190	Warrant Officer	1175
Air Commodore	2425		
Chaplain (less than 20 years)	1554		
Chaplain	2068		
Principal Chaplain	2129		
Chaplain in Chief	2547		

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E-20

Senior Officers - Normal Retired Pay rates
Effective From 1 April 1976

Reckonable Service Years	Air Vice- Marshal £ a year	Air Marshal £ a year	Air Chief Marshal £ a year	Marshal of the Royal Air Force £ a year
22				
23				
24	4487			
25	4620			
26	4754			
27	4887	6108		
28	5020	6275		
29	5154	6441		
30	5287	6608	9252	
31	5420	6775	9485	
32	5553	6942	9719	
33	5687	7108	9952	
34	5820	7275	10185	11500

Senior Officers - Service Invaliding Retired Pay
Effective From 1 April 1976

Reckonable Service Years	Air Vice- Marshal £ a year	Air Marshal £ a year	Air Chief Marshal £ a year	Marshal of the Royal Air Force £ a year
19	3940	4925		
20	4096	5121		
21	4253	5317		
22	4410	5512		
23	4566	5708		
24	4723	5904	8266	
25	4880	6100	8540	
26	5037	6296	8814	
27	5193	6492	9088	
28	5350	6687	9362	
29	5507	6883	9637	
30	5663	7079	9911	
31	5820	7275	10185	
32	5820	7275	10185	
33	5820	7275	10185	
34	5820	7275	10185	11500

Senior Officers - Minimum Rates of Service Attributable Retired Pay
Effective From 1 April 1976

E-21

% Degree of disability	Air Vice- Marshal £ a year	Air Marshal £ a year	Air Chief Marshal £ a year	Marshal of the Royal Air Force £ a year
20	2101	2083	3847	
30	2569	3296	4751	
40	3037	3910	5656	
50	3797	4888	7070	
60	4265	5502	7975	
70	4733	6116	8880	
80	5687	7336	10634	12124
90	6155	7949	11538	13160
100	6623	8563	12443	14197

Senior Officers - Additional Attributable Gratuities
Effective From 1 April 1976

% Degree of disability	Air Vice- Marshal £ a year	Air Marshal £ a year	Air Chief Marshal £ a year	Marshal of the Royal Air Force £ a year
20	1164	1455	2037	2300
30	1746	2183	3056	3450
40	2328	2910	4074	4600
50	2910	3638	5093	5750
60	3492	4365	6111	6900
70	4074	5093	7130	8050
80	4656	5820	8143	9200
90	5238	6548	9167	10350
100	5820	7275	10185	11500

Senior Officers - Rates of Attributable Forces Family Pensions
and Additional Attributable Gratuities
Effective From 1 April 1976

Rank	Widows' Pension £ a year	* Child Pension £ a year	* Motherless Child £ a year	Additional Gratuity £
Air Vice-Marshal	5035	1164	2328	2910
Air Marshal	6344	1455	2910	3638
Air Chief Marshal	8963	2037	4074	5093
Marshal of the Royal Air Force	10147	2300	4600	5750

* Up to a maximum of 4

**GOVERNMENT QUARTERS CHARGES RENT ALLOWANCE,
AND POST DIFFERENTIAL ALLOWANCE**

**I. Table for the Purpose of Computing the Rent Allowance Portion of
Foreign Service Allowance (Effective 1976)**

Monthly Rates

Group 1	Basic Amount unfurnished	Basic Share Number in the Household			
		1	2	3 or 4	5 or more
<u>A</u>	\$575.00	\$174.00	\$230.00	\$285.00	\$314.00
B	525.00	161.00	217.00	272.00	301.00
C	485.00	152.00	199.00	248.00	273.00
<u>D</u>	445.00	148.00	193.00	240.00	264.00
E	405.00	145.00	187.00	231.00	254.00
F	345.00	141.00	178.00	215.00	235.00
<u>G</u>	345.00	137.00	170.00	199.00	213.00

Group A corresponds to BGen and above; Group D, major;

Group G, corporal and below

Basic Share Government Quarters Charges at Ottawa only.

Basic Amount Maximum charges for rank, under the Fair Market Value System for Government Charges. Furnished quarters vary from \$430 for Group A to \$706 for Group G.

II. Post Differential Allowance:

Members who are serving at a place of duty for which a post differential number is prescribed by the Treasury Board is entitled to a Post Differential Allowance at the monthly rate as follows.(1 March 1973)

<u>Post Differential Number</u>	<u>Monthly Rate</u>
1	\$33.33
2	50.00
3	66.66
4	83.33

velocity, the widow would receive a higher pension than the widow who would be higher

If you can be sure that your dependants will be entitled to a Pension Act annuity, you can forget about SISIP. Also, if you have 30 years or more of service, don't earn over \$600 a month, and have lots of insurance, you can ignore SISIP. But the rest of you should examine these graphs carefully before you decide you can do without SISIP.

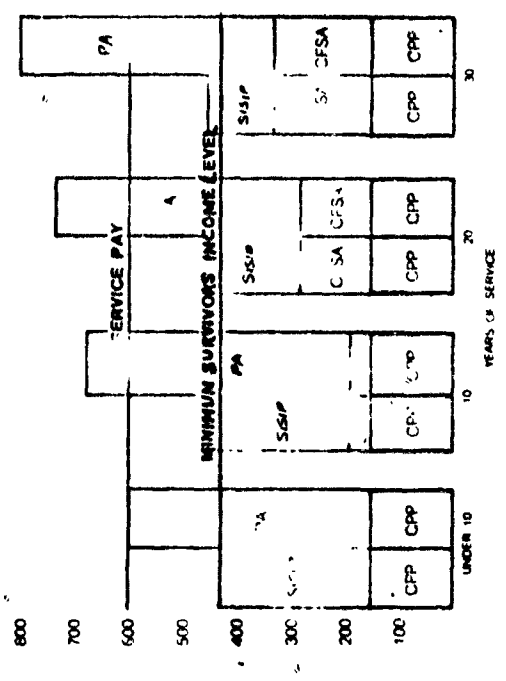
If your spouse remarries or engages in a common law relationship, i.e. SISIP benefits will stop two years after the date of the change of marital status.

SISIP benefits are provided for orphaned children at the same rate as for your spouse. These benefits continue until the youngest child is 18 years old or until age 25 if attending a University or School.

SURVIVOR INCOME BENEFITS

SPOUSE, 2 CHILDREN

Member with Pay of \$600/Month



are claiming

Most of you will never cash in on SISIP disability benefits. But all of you need the protection that SISIP gives. Can anyone afford to ignore the peace of mind that 1/8th of 1% of his salary can buy?

Survivor Benefits

Most single people have no dependants and there is little need for them to provide survivor income protection in the event of death. For this reason single personnel have been excluded from the survivor income part of the plan and their premiums are reduced accordingly.

SISIP Survivor Benefits are a special type of insurance under which the benefits are paid as a **monthly income**. Most of us have life insurance in the form of SDB and some of us have large amounts of personal insurance. But what may seem like an impressively large amount of insurance can become distressingly small when expressed as the amount of monthly income it will provide for a surviving spouse. To determine the need for SISIP protection or in fact any insurance, we must examine the total of all our existing pension and insurance benefits together. If this examination of survivor income benefit is to make any sense it should be expressed in terms of monthly income. The required level of protection depends on the age of the spouse and the number of dependent children. A monthly income amounting to from 50% to 60% of your present income is probably adequate for a surviving wife without children. Add 5% of your present income for each child and you will have a realistic minimum level of protection. Orphaned children will of course need more than the 5% individual amount.

We do not know how much personal life insurance you now have. But we can show you the protection provided by the CPP/CPP, CFSA or DSFCA. SISIP and the Pension Act should there be an entitlement to it. Again we will use graphs for personnel whose incomes are \$600, \$900, \$1,200 and \$1,600 per month.

GRAPHS

The graphs use two columns, one to show your benefits if the Pension Act applies and one to show your benefits if it does not apply. Without SISIP or 2 Pension Act benefit, the dependants of most servicemen face a bleak future. Again the higher the present level of income the greater the need for SISIP protection. We have chosen to show the situation of a widow with two children. Had we shown a widow without children or a widow with four children the picture would not change very much. The widow without children would receive less money and would have fewer expenses. Con-

Field or shipboard conditions. Field conditions exist when standard or sub-standard accommodation is not provided for sleeping. They apply to accommodation in tents, bivouacs, vehicles, barns, outbuildings, derelict or abandoned property, church halls, etc, occupied during operations, internal security duties and exercises. Shipboard conditions exist when an officer or soldier is accommodated aboard one of HM ships other than aboard an accommodation ship. The application of field/shipboard conditions on each day is based on the situation obtaining at 0300 hours and is to apply to complete periods of twenty-four hours from midnight to midnight.

ADDITIONAL ATTRIBUTABLE LUMP SUMS

EFFECTIVE FROM 1 APRIL 1976

(Applicable to widows of men who served on or after 31 March 1976)

<u>HUSBAND'S RANK</u>	<u>£</u>
Below Corporal	726
Corporal	884
Sergeant	961
Staff Sergeant	1,056
WO II	1,088
WO I	1,175
Captain and Below (Incl QM)	1,303
Major (Incl QM)	1,554
Lt Colonel	1,884
Lt Colonel (QM)	1,645
Colonel	2,190
Brigadier	2,425
Chaplain (less than 20 years service)	1,554
Chaplain (20 or more years service)	2,066
Deputy Chaplain General	2,190
Chaplain General	2,547

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CANADA

CANADA

MILITARY COMPENSATION SYSTEM

I. Military Compensation Base

Prior to 1966, military compensation in Canada was in the form of a pay and allowances system, with specialist pays for pilots, navigators, medical, dental, and legal officers.¹ Basic pay for officer ranks was based on an "industrial composite linkage".² This linkage method also determined the pay of enlisted personnel whose 9 ranks were broken into 10 "trade groups" for pay setting purposes. A marriage allowance of \$40 and \$30 per month, respectively, was paid to officers and enlisted personnel in addition to basic pay and special pays. All personnel were paid a subsistence allowance, which varied by rank, quarters occupancy, and marital status. There was no separate quarters allowance. Only two-thirds of the subsistence allowance was taxable. The basic pay, the marriage allowance, and the subsistence allowance were all elements of the base from which pensions were computed.

A. System Components

In 1966 Canada converted to a salary system of military pay.³ The salary replaced basic pay, subsistence allowance, the marriage allowance,

¹ Source: Compensation Briefing, NDHQ Pay Studies Team Delivers to Canadian Forces Commands and Bases, May 13-15, 1975 Conference at Department of National Defence Headquarters, Ottawa, Canada and Conferences with Canadian Embassy personnel, Washington, D. C.

² An industrial composite linkage is a comparison of wage rates in the private sector with comparable military jobs.

³ Concepts for Integrated Personnel Management, including the salary concept (not related to family status), were recommended in the Minister's Manpower Studies.

and some specialist pays. Certain special pays were retained in modified form in addition to salary. Conversion to salary increased compensation costs by 2.78% to eliminate the difference between single and married personnel pay, by 1.41% to eliminate any income tax advantage from the partially taxable allowances, and by 9.83% to allow for a pay increase. Including the pay increase in the conversion cost to a salary system thus increased compensation budget costs by a total of 14%. The military salary was based upon the existing industrial composite linkage method. This proved not to be an effective adjustment method, since it was not credibly explainable to the Treasury Board, which is the approving authority for all pay proposals. Therefore, a new linkage method was developed in a second phase of salary implementation.

In November of 1968, a Joint Treasury Board/Department of National Defence (DND) Advisory Group on Military Compensation was formed. Its objective was to recommend changes that, if adopted, would achieve compensation parity between military forces and the Public Service.

The Advisory Group certainly improved communication throughout the pay review process between DND and the Treasury Board. A new comparability concept was developed and applied to both the Military Forces and the Public Service. The resulting pay review using this concept found that military forces' salaries lagged about 22% behind corresponding Public Service salaries. Consequently, the Advisory Group recommended that the pay of the military forces be increased by that

amount in order to achieve parity. Because of the size of the increase, it was decided to phase the increase over a 2-year period. Under the new salary concept, equal pay for equal rank is the basic principle involved. The salary is paid for performing a day-to-day job, and it is intended to recognize both the skills required and the responsibilities involved in doing that job.

B. Linkage

The new military salary is based on linkage to Public Service employee salaries. The process links 5 ranks and the pay of all other ranks is derived from a payline drawn through these ranks. The salary schedule resulting from this payline is developed by the Ministry of Defence and approved by the Treasury Board.

The linkage points are:

- o Corporal 5A (IPC 4)¹ to maximum journeyman in the Public Service (8 years of service are usually required to reach both maximum corporal and maximum journeyman in the Public Service).
- o Chief warrant officer (IPC 4) maximum to captain (IPC 6). (This has been a traditional internal linkage point).
- o Lieutenant (IPC 2) to the Public Service composite recruiting rate (entry level equivalents in both military and Public Service for university graduate).

¹ IPC - Incentive Pay Category; these are the annual steps of each ranks' pay. 5A is the pay level for the rank of corporal.

• A 10-year officer group to 10-year public servant group (A base of approximately 2,000 officers, in grades 2nd lieutenant to major and a base of approximately 7,000 Public Service personnel. Both groups entered government service directly from universities. Equates 10-year average earnings).

• Colonel (Maximum IPC) to the public servant immediately below the Public Service grade of sx.¹

The linkage points cited link the military forces' pay to Public Service pay. The Public Service pay has been matched in 72 different jobs with Canadian private sector employees. Thus, the new military salary base is averaged to an already averaged Public Service salary base. Once the basic linkage points are set, the military payline is developed. It distributes the available dollars necessary to achieve comparability and to best meet the forces' needs; i.e., salary by rank, the specialist pay (officers) and the specialist approach for "other ranks" (enlisted personnel).

C. The Military Factor

The new Canadian salary system includes a factor, added to the parity level of salaries below the rank of colonel, to recognize specifically identified disutilities of military service to which all members are exposed. This factor is currently 4% of salary.

¹ Public service grade of sx, a senior level government official equates to a brigadier general.

D. Environmental Allowances

In addition, the new salary system includes environmental allowances designed to compensate for certain conditions of service not covered by salary or specialist pay. Because such allowances are intended for personnel performing particular types of service, they are paid only for actual exposure to such types of service, rather than for being qualified to do something, or for being responsible for something. These allowances are awarded for duties such as flight, submarine, and other hazardous duties for which the U.S. uses special and incentive pays.¹ They are awarded as separate payments in addition to salary, rather than being incorporated in a temporarily increased salary.

E. The Military Estate Package

The last component of the new salary system is a group of elements that provide post-career financial security; i.e., retirement, disability, and survivor benefits.

Only continuous entitlements are used as elements of the base from which pensions are computed. Allowances are not continuous, and hence are not part of this base. Pensions are based on the average salary or specialist pay for the six best consecutive years (i.e., the six consecutive years with the highest rate of pay).

The Canadian retirement system is contributory; the contribution rate under the Canadian Forces Superannuation Act (CFSA) (retirement system) is 7% of salary and specialist pay. Included in the 7% contribution is a 0.5% contribution for the Supplementary Retirement Benefits Act (SRBA).

¹ See Tab A.

F. Charges and Reimbursements

1. Charges

Under the new salary system charges are levied for rations and quarters provided in kind. However, no deductions are made from the salary of an officer or man when single quarters are provided on board ship or in the field, or in circumstances where he would be entitled to a "separation expense" (allowance).

2. Reimbursements (and Allowances) for Travel and Transfer

The general principles for travel, both temporary duty and transfer (i. e., permanent change of station) are that:

(a) The member shall be afforded transportation and accommodation standards that are comfortable and of good quality.

(b) The allowances, rates and conditions of payment and reimbursement are intended to be sufficient to avoid the member's having to pay for such costs out of his own pocket. The allowance levels are set on the basis of reasonable expenses necessarily incurred, without allowing personal gain or underwriting extravagances on the part of the member.

(c) Service air transport shall be used when practicable.

o Temporary duty

When traveling on temporary duty, the member is obliged to occupy government single quarters and to be provided with rations at a government mess without charge if they are available. For

incidental expenses, the member receives a daily allowance. The rate for all ranks is \$1.75 a day (effective April 1, 1976).

When government quarters and rations are not available, the member is reimbursed for his actual cost of commercial lodgings within prescribed maxima and receives an allowance for meals and incidental expenses. This allowance is \$16.25 a day in Canada and \$18.25 a day outside Canada (effective April 1, 1976).

The above reimbursement and allowances are akin to the U.S. per diem allowance.

o Transfer

When a member authorized to move his dependents and household effects is transferred other than temporarily, he is granted:

- (a) Transportation for himself and his dependents;
- (b) The cost of any accommodations en route within prescribed maxima if traveling by private motor car;
- (c) Allowances for meals and incidental expenses en route for himself and his dependents;
- (d) The cost of interim lodgings and meals at either or both ends of the journey for the period he is separated from his furniture and effects;

(e) A movement grant (akin to U.S. dislocation allowance) is authorized for married personnel. The rates are \$500 for lieutenant colonel and above, \$400 for major and captain, and \$300 for lieutenant and all enlisted men. Single members are reimbursed actual expenses up to

a maximum of \$150.00. When the movement of household effects is not authorized, the dislocation allowance for married members is \$150.00 for all ranks, and;

(f) The movement, at government expense, of his furniture and effects if he is moved within Canada or the continental USA, or the storage of his furniture and effects if he is moved outside Canada and the continental USA.

Notwithstanding the above, on moves to and from a place of duty in Canada, current policy is to generally restrict the movement of dependents, furniture, and effect until the member finds suitable accommodation for his dependents at his new place of duty. During the period the member is separated from his family, he is entitled to a separation expense (allowance) at a monthly rate of up to \$350 for officers and up to \$305 for all enlisted men.

On all moves outside Canada and the USA, the moves of both the member and dependents are normally carried out by service air transport.

If the member is required to sell or buy a house as a result of his move, provision exists to pay the real estate agent costs and legal fees on any move within Canada. Moreover, the government will pay the real estate agent costs and legal fees once per career for the purchase and sale of a residence in Canada resulting from a requirement to make a move outside Canada.

Finally, provision also exists to reimburse a member up to three months rent if he is required to break a lease as a result of a transfer.

G. Taxes (Income)

All military pay, i.e., salary, specialist pay, allowances, and retired pay, is taxable. However, travel reimbursements, separation expense and movement grants are not considered as taxable income.

II. The Compensation System

A. Enlisted (Other Ranks) Salary

There are 7 enlisted ranks from private to chief warrant officer in the Canadian forces. Within these seven ranks there are ten pay levels, four in the rank of private and one in each of the succeeding ranks. There is one incentive pay category in the private pay levels 3 and 4, and four incentive pay categories in the ranks of corporal through chief warrant officer. The incentive pay categories are annual in-grade increases paid at the discretion of the commanding officer for satisfactory performance of duty. A negative report is required to halt the annual in-grade increase to the next incentive pay category. Commanding officers are provided with printouts in advance to report exceptions.

Until October 1, 1975, the Canadian forces used a "pay field" system, where higher skill levels were paid at correspondingly increasing rates.

The "pay field" system had been a source of dissatisfaction for some time, and was eliminated October 1, 1975. Since October 1, 1975, the principal base of pay has been rank, with two rates of specialist pay.¹

¹ Monthly salary rates and the pay structure is shown at Tab B. Tab B illustrates 1974 rates and Tab B1 reflects October 1975 rates. Tab C illustrates calculation of pay rates for corporal (pay level 5A).

In the transition to the new system, the differential between pay fields A and B was halved in 1974 and was eliminated on October 1, 1975. Most of those in pay field C were placed in specialist pay (trades pay) in recognition of their particular skills.

The need for specialist pay in a salary system stems from the attraction and retention problems of particular skills. Thus, while specialist pay was retained, the Ministry of Defence anticipated that an extremely small percentage of service members would receive it. This belief was reinforced by considering specific cases such as the following: In an FMC (Forces Mobile Command) Combat Group Service Battalion, there are 600 members who would receive pay for rank only while a mere 19 would receive specialist pay. However, as of mid-1976, about 20% of the Canadian forces receive specialist pay, distributed as follows: 19% receive Specialist I and 1% receive Specialist II rates. Clearly the Canadians have had to expend more resources on specialist pay than they had anticipated when planning for the establishment of a salary system.

B. Officers Salary

The standard for officers pay is that of a general service officer¹ (GSO). Separate salary schedules exist for specialist officers, e.g., doctors, lawyers, dentists and pilots. All officers receive the requisite basic salary for rank upon promotion or appointment and in addition

¹ General service officers are regular duty or line officers, and exclude officer specialists; i.e., doctors, lawyers, pilots, and dentists.

receive annual in-grade incentive pay increases.¹ Comparisons with the Public Service at the linkage points cover a wide variety of officer skills and responsibilities.

The salaries of general service officers are developed from the matching and linkage process with the Public Service. The four officer specialist groups represent occupations that are recognized both in the private sector and the Public Service as requiring different salaries. The specialist salary scales provide some rates equal to those of similar groups in other government agencies, but other rates are peculiar to the armed forces. The purpose of the specialist pays is to attract and retain the number and quality of pilots, air navigators, lawyers, medical and dental officers to meet force needs.² With the introduction of the Officer Career Development Program (OCDP) in 1976, and its distinctions between a short service engagement for 9 years, a medium service engagement for 20 years, or indefinite service engagement a "full career", caused some changes to occur in the officers' pay structure; however, the basic GSO and specialist approaches in effect under the new salary system was retained. There were changes in retirement, separation pays, and the compulsory release age precipitated by the Officer Career Development Program. The transition plan to fully implement the OCDP will take several years to fully implement.

C. The Military Factor

Once the pay tables are developed from the payline, a military factor

¹ The incentive pay increase for officers, as in the case of enlisted personnel, is based on satisfactory service, and is awarded at the discretion of their commanding officers.

² See Tab D for officer salary structure with monthly rates effective October 1, 1975.

(4% of salary) is added for ranks below colonel to incorporate recognition of the net disutilities of service life. Some 40 aspects of military life are compared to measure the advantages or disadvantages between the military and Public Service. In most cases, the difference between the Public Service and the military is insignificant. However, there is some difference in six areas. For example, the military leave system is better, military personnel have both medical and dental advantages, and military personnel receive 2 extra holidays around Christmas and New Year. Conversely, military personnel must retire relatively early, generally work longer hours or on shifts other than the normal workday hours with no additional compensation, and are subject to frequent moves or periods of family separation. Therefore, in the judgment of the Treasury Board, an additional 4% of salary is justified in recognition of the net disutility of these

conditions of military service. The military factor, like the salary, is reviewed annually. As the military factor is an integral part of the salary upon which deductions for retirement are made, it is also considered in the pension base for computing the retirement annuity.

D. Environmental Allowances

These allowances were previously called "Hazard and Environmental Allowances". They include Aircrew, Air Duty, Rescue Specialist Duty, Sea Duty, Submarine Duty, Diving Duty, Field Operations Duty, Paratroop Duty, and Exceptional Hazard Allowances.

Environmental allowances are essentially monetary recognition for those members who must live and work under particularly demanding stresses and conditions. They are paid to attract and retain properly motivated people to undertake duties voluntarily under such conditions.

An important point here is that Environmental Allowances are paid in recognition of one's discomfort; they have nothing to do with the pay for the job. Salary is the pay for the job the member performs, whether it is parachutist, pilot, sailor, or diver. The salary, through the Military Factor, also recognizes overtime, family separation, and other disutilities of service. The salary associated with rank recognizes the member's level of responsibility. Responsibility for flying an aircraft with 100 passengers, docking a \$70 million ship, or leading a 700 man battalion is recognized in the rank prescribed for the job. Environmental Allowances, therefore, are extra compensation for the abnormal discomfort or stress of the job conditions.¹

Environmental Allowances are paid only during those periods when a member is exposed to the specified stress or environmental conditions, and cease when one's employment no longer requires such exposure.

These allowances and rates are reviewed every two years by an impartial team--one Army, one Navy, one Air Force, one DND (Department of National Defense) civilian, and one Treasury Board member. They are arrived at judgmentally by placing each group's conditions in perspective, by recognizing both that rates should be sufficiently high to attract and retain members to work under adverse conditions, and that dollars cannot be the only motivator.

¹ See Tab A for rates of Environmental Allowances.

E. Separation Expense

A member separated from his family due to the nature of his service employment is entitled to Separation Expense.

A member is entitled to a Separation Expense allowance if he is married, or has a dependent child; if his wife or dependent child has not been moved to his new place of duty at public expense; and if the wife or dependent child is normally resident with him at his place of duty.

The monthly rate of separation expense is up to \$350 for an officer and up to \$305 for an enlisted man when public quarters and rations are not provided (rates are as of April 1, 1974).

When public quarters and rations are provided, the monthly Separation Expense (as of April 1, 1976) is:

(a) \$30.00 for all ranks, if in receipt of Foreign Duty Allowance.

(b) \$52.50 for all ranks in all other circumstances.

F. Charges

Under the pay and allowance system prior to 1966, a marriage allowance and a subsistence allowance were paid to officers and enlisted men. These allowances were incorporated into the salary when the new salary system was implemented on October 1, 1966. When the salary system was introduced, the principle of optional residency in government quarters

was adopted. However, for recruits and members undergoing special training, a mandatory residency was introduced for a period of at least one year or until the completion of training, whichever was later. Since all members are now paid a salary, those residing in public quarters and eating in government messes are consequently charged the actual value of the quarters occupied¹ and rations received. Quarters charges are adjusted biennially, subsistence charges annually.

1. Quarters

When single quarters are provided to service members on military bases, rental deductions from salary are made based on rank and type of quarters provided.² For example, the charges for a private range from \$21 to \$42 monthly; the charges for lieutenant colonel and

¹ Married quarters charges are reduced in the following situations:

- (a) size suitability reduction, 20%
- (b) job imposed occupancy, 25%
- (c) loss of privacy and quiet enjoyment,
- (d) encouraged occupancy, 10%

Each adjustment is based on the reduced charge resulting from the previous adjustment rather than on the original base shelter value.

Example: Base shelter value, \$300. Occupant qualifies for a size-suitability reduction, (a) of 20% and a 25% reduction for job-imposed occupancy, (b) appropriate shelter change would be \$180. Calculated as follows: (a) 300 - 60 is \$240, then apply (b) 240 - 60 is \$180.

² See Tab E for new procedures on setting charges for single quarters.

above range from \$93 to \$121 monthly. No charges are made for quarters provided aboard ship or in the field.

Married quarters are provided for about 48% of the married service members. Charges are based on a weighted national average of rents, determined at two-year intervals by the Central Mortgage and Housing Corporation (CMHC). Their survey of the rates charged in areas surrounding bases are evaluated and compared to government housing to determine a fair market rental charge. To avoid imposing a hardship, there are prescribed maximum charges by rank regardless of the estimated fair market value of government quarters.¹ The maximum charge is currently 20% of gross salary for shelter with the member paying metered utilities or \$2.84 per 100 sq/ft of living space for all utilities per month. No charges are made in circumstances where the member would be entitled to a Separation Expense allowance, since the Separation Expense rate is based on quarters provided. Trailer pads and facilities, if available at the post, are on a rental and recoverable basis. The rental rate is fixed to cover the cost of construction of the facility over its useful life.

2. Rations

The advent of the new salary system required charges for rations consumed at base facilities. Such charges are deducted from a member's salary at the following monthly rates (effective August 1, 1976): officers, \$93.41; enlisted men, \$69.87.

¹ See Tab F for government quarters charges (basic share) and maximum charges for grade (basic amount) under the fair market value system for government quarters.

The monthly charge for single members serving aboard ship or in the field is \$54.64. No ration charges are made against married members entitled to a Separation Expense, since the Separation Expense rate is based on rations provided.

G. Pensions and Financial Security

The Canadian Armed Forces aggregate a number of benefits in this category,¹ including the following Canadian Forces Superannuation Act (CFSA), Supplementary Retirement Benefits Act (SRBA), Supplemental Death Benefits (SDB), Servicemen's Income Security Insurance Plan (SISIP), Canadian Pension Plan (CPP)/Quebec Pension Plan (QPP), Pension Act (PA), Unemployment Insurance Plan (UIP), and health coverage.

1. Retirement Plan

Only members of the regular forces are covered by the Canadian Forces Superannuation Act (CFSA). Members are required to make pension contributions from the date of enrollment for a maximum of 35 years of service. Contributions are deducted from salary at the rate of 6.5% of salary for all members effective February 1, 1970. The government maintains the Canadian Forces Superannuation Account (a pension fund) and contributes at the rate of 1.8% of the member's salary plus making up any deficiency necessary to keep the fund actuarially sound. At five year intervals the retirement fund is reviewed to assure that it is actuarially sound.

¹ See Tab G for Survivor Income Benefits, Integration of, PA, CPP/QPP, SISIP, and CFSA

The retirement benefit eventually paid is computed at the rate of 2% of average annual salary during the best (highest) consecutive six-year period for each year of service to a maximum of 35 years, which amounts to 70% of the pension base.

Members who retire with less than 10 years' service receive a return of contributions without interest for service prior to 1974. 4% interest is paid on contributions for service after 1974.

Members with 10 or more years' service released for medical reasons receive an immediate unreduced annuity computed as above. If released for other reasons, members may receive a return of contributions without interest or a deferred annuity at age 60.

Members with 20 or more years' service, if retired before compulsory release age (CRA),¹ receive an immediate annuity reduced 5% for each full year short of CRA.

"Other ranks" (enlisted) with 25 or 30 years' service and officers with 28 or 30 years' service receive an immediate unreduced annuity determined by rank held.

Widows receive 50% of the retiree's annuity with an additional 10% for each child under 18 to a maximum of 4 children. Orphans each

¹ (CRA) compulsory release age; for general service officer are: lieutenant and captain 45; major 47; lieutenant-colonel 51; colonel and above 55; for other ranks (enlisted) corporal and below, 44; sergeant and above, 50. Members who reach the retirement age for their rank are retired compulsorily unless the exigencies of the forces require otherwise. In 1976 under the new Officer Career Development Program the compulsory release age was changed to age 55 for all indefinite service engagement personnel regardless of rank held. However, the transition plan will take several years to be fully implemented.

receive 20% of the members annuity to a maximum of 4 children.

2. Supplementary Retirement Benefits Act (SRBA)

All members are required to contribute 0.5% of salary to the Supplementary Retirement Benefits Act (SRBA) fund. This fund is intended to pay for the expected escalation of annuities resulting from inflation as measured by increases in the cost of living index, which is used to adjust annuities. Both male and female members contribute the same percentage of salary to this fund.

Annuities are adjusted in January of each year in direct relation to the changes in the Consumer Price Index (CPI) from the date of retirement. The adjustments are payable when the annuitant reaches age 60 or as early as age 55 if he has 30 or more years of service. Prior to that period, the retiree receives an annuity unadjusted for inflation, under the assumption that the retiree is a member of the work force and consequently enjoys a second income.

For annuitants who retired prior to 1970, the adjustment is 2% for each year after retirement up to 1970 and in January the CPI rate thereafter.

3. Supplemental Death Benefits (SLB)

Contributions under the Supplemental Death Benefits (SDB) Insurance plan for active duty members are five cents per month for each \$250 of annual salary or the nearest \$250 above annual salary. These

contributions continue after retirement. Annuitants pay the same rate of contribution until age 60, when contributions are reduced 10% each year until age 70, when no further contributions are made.

Members may elect, at time of retirement, a reduced insurance coverage of \$500, which is considered to be fully paid at age 65. Member contributions cease at that time.

Members who are released without an annuity may elect to have continued coverage, but pay a higher rate of contribution.

Participants under the SDB Insurance plan, other than those who elect the reduced coverage of \$500, have their survivors eligible for the supplemental death benefit in the amount of their annual salaries until the member attains age 60. Thereafter, the Supplemental Death Benefit is reduced by 10% each year until the member attains age 70, at which time the Supplemental Death Benefit becomes \$500 for the remainder of his life.

4. Insurance for Disability or Death (SISIP)

The Servicemen's Income Security Insurance Plan (SISIP) was designed to meet the needs of the survivors of servicemen killed or disabled under circumstances that make them ineligible for Pension Act Benefits--i. e. , accidents or illnesses not related to their military service.

SISIP provides that if the service member is totally disabled, and is not eligible for Pension Act benefits, he will receive an income equal to 75% of his military salary at the time of disability for the rest of his life or until he recovers and is reinstated to active duty.

SISIP also provides that if the service member dies, his spouse will receive a survivor's benefit of from 20% to 50% of his military salary at time of death in addition to any other benefits received under the survivor's benefit portion of the member's retirement annuity (CFSA), or other entitlements. The minimum SISIP benefit of 20% of salary is paid to the spouse of a member whose length of service is 30 years or more, and the benefit increases by one percent for each year of service under 30 years' service to 40% at 10 years' service. The maximum SISIP benefit of 50% is paid to the spouse of any deceased member with less than 10 years' service. In addition, SISIP pays the service member \$10,000 if his spouse dies or \$1,000 if a dependent child dies.

SISIP provides that if the deceased service member leaves orphaned children, they will receive the same benefits at the same rate as a spouse. These benefits will continue until the youngest child reaches 18 years of age, or until 25 years of age if he become a full-time student at a school or university.

SISIP provides major medical benefits for long-term disability, and survivor income benefits to claimants who are not otherwise eligible for supplementary health coverage through Group Surgical Medical Insurance Plan (GSMIP).

SISIP benefits, when they become payable, are protected against inflation by a cost of living increase of up to 2% per year should inflation warrant such increases.

SISIP premiums are as follows:

Single members may have disability coverage only at a monthly rate of 0.125% of salary.

Married members may have full coverage only at the following monthly rates.

Age of Member	Monthly Premium (% of Salary)
Under 25	0.975
25-29	1.025
30-34	1.125
35-39	1.225
40-44	1.525
45-49	1.825
50 & Over	2.075

5. Social Security, Canadian Pension Plan (CPP)/Quebec Pension Plan (QPP) and Old Age Security

All Canadians, including military personnel, have been contributing to the CPP or QPP since January 1, 1966. In 1976, the maximum annual earnings subject to such contributions are \$8,300, but these are subject to change yearly. In practice, the maximum earnings subject to such

contributions are set at \$800 less than the maximum authorized, or \$7,500. The \$800 is the basic exemption. The premium rate is 1.8% of the contributory earnings. The present maximum contribution is \$135 annually (1.8% of \$7,500).¹ As is the case in the United States, the government matches the service member's contribution.

Servicemen who have contributed to the CPP/QPP for a minimum of 5 years are eligible for disability benefits. A short summary of such benefits follows:

- The maximum disability pension is \$157.59 monthly for both single and married personnel effective as of 1976.

- Male contributors who are married are entitled to additional allowances for children at the rate of \$41.44 monthly per child to a maximum of 4 children, and 1/2 benefit each for any additional children as of 1976.

- Dependents of servicemen who have contributed to the CPP/QPP for a minimum of three years are entitled to survivor benefits in the event of the serviceman's death.

- Widows are entitled to a one time (lump sum) death benefit of up to 10% of the current ceiling, presently \$830.00.² However, widows who are age 45 or older are entitled to an annuity in addition to the lump sum death benefit, and in addition dependent children's

1 A member's contribution to the CPP/QPP is included in his Retirement contribution (CFSA).

2 Currently, the maximum earnings subject to contribution to the CPP/QPP are \$8,300 per year, hence 10% of \$8,300 is \$830.

benefits are also paid.¹ Such widows receive \$99.51 monthly, children receive \$41.44 each per month up to a maximum of 4 children, and any additional children receive half benefits. These rates are current as of 1976.

- At age 65, a member is eligible for old age security benefits. The monthly old age security benefit is \$137.06 effective January 1, 1976. All retired members receive this benefit. It is noncontributory and no deduction is made from other entitlements,² except in the case of a CFSA pension, where the pension is reduced by the amount of the CPP/QPP benefit, as this benefit was integrated into the pension plan when it was established.

- All of the CPP/QPP benefits are adjusted to reflect changes in the Consumer Price Index at three month intervals. CPP/QPP survivor benefits and disability benefits are subject to income tax.

6. Pension Act (PA)

The Pension Act was enacted to provide income for dependents of servicemen who were killed or disabled as a result of their military service, either in peacetime or wartime.

Pensions under the Pension Act are paid monthly and are not taxable.

The amount of the pension depends on marital status, number of children

1 Widows under age 45 also receive the full rate of the annuity if disabled or maintaining children of the deceased contributor.

2 The basic requirement for entitlement for the old age security benefit is a 10 year period of continuous residency for Canadians.

and in the case of disability, degree of disability. The amount of the pension is the same for personnel of all ranks. Periodic adjustments are made to reflect changes in the cost of living. The schedule of benefits as of January 1, 1976 is as follows:

1. Monthly pension rates for 100% disability:

Single pensioner	\$512.54
Married pensioner	\$640.68
Married pensioner, 1 child	\$707.37
Married pensioner, 2 children	\$756.01
Each additional child, an extra	\$ 38.44

2. Monthly pension rates for death:

Widow	\$384.41
Widow, 1 child	\$517.77
Widow, 2 children	\$615.06
Each additional child, an extra	\$ 76.89

3. Orphaned children:

1 child	\$133.36
2 children	\$230.65
Each additional child, an extra	\$ 76.89

7. Severance Pay

All members who are released honorably after continuous full-time paid service are entitled to severance pay. This is calculated as 7 days' salary for each complete year of service to a maximum of 210 days (30 years service) at the current rate of salary in effect when service was terminated.

8. General Officers Insurance Plan (GOIP)

This is a life insurance program for general officers. It is similar to the Public Service Insurance Plan for comparable Public Service ranks.

The government pays the total premiums for the Basic Life Insurance and the Accidental Death and Dismemberment Insurance. Additional optional coverage equal to the basic coverage is available on a 50-50 cost-sharing basis.

General Officer's Insurance Plan

<u>Types of Coverage</u>	<u>Rates</u>	<u>Coverage Amount</u>
Basic Life	\$0.55 per \$1,000 of salary	1 x Annual salary to next highest \$1,000
Accidental and Dismemberment	\$0.06 per \$1,000 (Max. \$50,000)	\$50,000
Optional Life	\$0.55 per \$1,000	1 x Annual salary to next highest \$1,000

9. Unemployment Insurance Plan (UIP)

Members of the regular force came under unemployment insurance coverage on January 2, 1973. Service members pay premiums based on the monthly salary scale. The rate at which the employee's premium is calculated is 1.65% of insurable earnings,¹ to a maximum of \$14.30 per month. The employer's premium is calculated at 1.4 times the

¹ "Insurable earnings" means a member's gross taxable income up to a maximum of \$866.66 a month (1976).

employee's premium, unless the employer qualifies for a premium reduction (as the Canadian government does because of medical absence coverage). Monthly premiums and minimum/maximum insurable earnings are reviewed annually by the Unemployment Insurance Commission.

The rate of weekly benefit payable to an unemployed former serviceman is an amount equal to two-thirds of his average weekly insurable earnings in his qualifying weeks. There is a normal two week waiting period for all persons making a claim for unemployment insurance benefits. Benefits are not available to released service personnel while they are outside of Canada except for those residing in the United States, who may make a normal claim. The USA is the only country with which Canada has a reciprocal agreement in unemployment insurance.

A minimum of 8 weeks' contributions are required to qualify for unemployment benefits. The number of weeks during which service personnel have been employed and have paid premiums will determine the number of weeks of benefit eligibility. Severance pay, although paid as a lump sum after release/retirement, defers eligibility for unemployment benefits for a period of time equal to that used in calculating the amount of payment for a given period of service; i.e., 7 days' salary for each year of uninterrupted service to a maximum of 30 years, equalling a 1 to 30 weeks' deferment.

10. Health Coverage

1. Service Member (Active Duty)

Members of the regular force who suffer any injury, disease or illness are entitled to medical care at public expense. Entitlement stops after the date of release from the armed forces, or after the 21st day of a period of absence without authority. A member may be given medical care in a military hospital, or in a hospital or ward administered by the Department of Veterans Affairs, or in a civil hospital.

A member is also entitled to comprehensive dental treatment from the Canadian Forces dental clinic. When on leave, and in the event a Canadian Forces dental clinic is not available, a member may receive care from a civilian practitioner for restricted treatment. The cost of such treatment will be reimbursed by the Canadian government.

2. Dependents (Active Duty)

Dependents of active duty personnel are covered by Provincial Health Insurance plans, and not by the military medical system. The government shares the cost with the service member on a 50-50 basis.

3. Retirees (Disabled)

Disabled retirees continue to be eligible for treatment of service connected health problems either at a military hospital or from civilian sources. If the latter, members' costs will be reimbursed by the Canadian government.

4. Retirees and Their Dependents

Retired members are not eligible for care in the military medical system. After 10 years of service, members and their dependents may continue their optional health insurance under the Group Surgical Medical Insurance Plan, which provides coverage into retirement. In addition, should they be covered by the compulsory insurance plan of a Provincial government, they may continue under that plan into retirement. Retirees pay the entire cost involved for either insurance plan. They do not receive care from the military medical system in either case.

H. Foreign Allowances

1. A Foreign Duty Allowance is paid to personnel assigned to 6 or 12 months tours mandatorily separated from their families, usually in support of the United Nations in International Observer peacekeeping missions. Presently, for example, Canadian forces are in Egypt (Ismaila), Syria (the Golan Heights), in Cyprus, in India/Pakistan, in Korea, and until recently were in Vietnam. This allowance recognizes the hardships of serving outside Canada and the difficult living conditions in the various areas. Since conditions vary from theatre to theatre, there are four different rates of Foreign Duty Allowance. In addition, a bonus of \$50 per month, over and above the normal foreign duty allowance rate, is paid to those serving abroad for longer than 6 months and for those who are assigned for second and

third tours of duty in such locations after the system was implemented (January 1, 1975).

2. A Foreign Service Allowance is paid to members posted outside Canada at locations other than those receiving Foreign Duty Allowances but in areas where living conditions are judged difficult. The Foreign Service Allowance includes a premium for service abroad, a salary equalization factor, and a housing allowance (assisted rents) where required.

The Foreign Service Premium is a fixed monthly sum which varies with the type of post, the number of dependents, the duration of assignment, and the status of the member (whether accompanied or unaccompanied) -- i. e., non-hardship post (one dependent), \$128-193 accompanied, \$60-90 unaccompanied; hardship post¹ (one dependent) \$154.50-206.00 accompanied, \$72-96 unaccompanied.

The salary equalization factor is a monthly salary adjustment and is calculated for those posts where the post index is more or less than 100, in accordance with the formula $\frac{PI - 100}{100} S$ wherein:

(a) PI--is the Post Index determined from time to time by Statistics Canada for the officer's or enlisted man's place of duty.

¹ A hardship post means a post where the Post Differential Allowance is payable. See Tab F for rates effective 1 March 1973.

(b) S--is sixty percent of the members salary.

For example, where the Post Index is determined to be 150.

$$\frac{(150 - 100)}{100} \times .60 \text{ or the salary equalization factor}$$

for the post is equal to 30% of salary.

Personnel are eligible for assisted rents when they are obligated to obtain private accomodation at the foreign duty station; however, government accommodations must be used if suitable and available at such stations.

This method of determining the amount of assisted rent is as follows:

Monthly charges for government accommodations¹ (also called a basic share) vary with rank and number in the household. For example, a corporal and below pay \$137.00 to a maximum of \$213.00 (5 or more in household). When the net rent (gross rent less utilities) paid for private accommodations is in excess of the charges for government quarters (basic share), an assisted rental allowance is authorized.

The maximum assisted rent allowance varies with rank and the number of persons in a member's household as these relate to the basic share (rent for government quarters). For example, the assisted rental allowance for corporals and below with 2 in household is the excess of the monthly basic amount by \$175 (\$345 less \$170 (basic share) or \$175); with 5 or more in household it is \$132 over the basic share (\$345 less \$213 (basic share) or \$132).²

¹ Monthly charges for government accommodations reflect the charges in the Ottawa Headquarters area. (Effective 1976)

² The table used for the purpose of computing the rent allowance portion of the Foreign Service Allowance is in Tab F, also monthly charges for government quarters at Ottawa Headquarters area and the Post Differential Allowance.

Canada is considering a higher rate for Foreign Service Allowance for second and subsequent tours of duty, an approach similar to the bonus added to the Foreign Duty Allowances for second and subsequent tours of duty.

I. Other Compensation Elements

A. Overtime. In the process of developing the military factor, significant military benefits were balanced against certain disadvantages. In the evaluation of these military factor elements, a factor of 6% was estimated to be an appropriate recognition for overtime. As this factor was determined to be appropriate to the rank of lieutenant colonel and below, 6 percent of every salary check received is for overtime work, whether any is done or not.

B. The "Regional Salary Concept." Some members of the Public Service have regional pay. A regional salary concept was considered for the armed forces but not adopted. The current system is based on the principle of equal pay for the same job country wide. Recognition is provided for the discomforts of isolated post duty through an allowance.¹

¹ See Tab F, for Post Differential Allowance (II)

The initial military pay match figures are derived from Public Service salaries, over 90% of whom are in Ottawa and two other big cities.

It appears that a regional salary concept would result in a reduction in pay for such places as Gagetown, Shilo, Moose Jaw, Comex, Chilliwack, Victoria, etc. Since pensions are based on the best consecutive six years of salary, members would want to be stationed in Ottawa for those years. In addition, there would be a changing take-home pay situation as there is because of environmental allowances. These allowances are established not as an integral part of the salary related to the job, but as a separate recognition of the adverse nature of a member's particular conditions, i.e., sea, air, submarine, and paratroop duty, etc. Difficulties are even now encountered when members are posted from positions which pay environmental allowances to those which don't. Such difficulties would compound if such changes occurred in basic salary. Thus, a fine balance must be maintained between a fair and equitable recognition of adverse conditions, and the potential of allowances developing into an integral and indispensable part of a member's salary. Spending patterns do adjust with the area to which a member is assigned, and it wouldn't take long for members in Cold Lake, Churchill, Trenton, Kingston, etc., to point out that, at their lower salary, grocery costs are higher than in Ottawa, gas is more expensive, and so on. Thus, it appears to Canadians that a regional salary concept could produce numerous difficulties and few advantages.

C. Annual Leave. Members with less than 5 years' service are entitled to 20 working days of annual leave per year. Those with 5 or more years of service are entitled to 25 working days of annual leave per year. Weekends and holidays are not counted as days of leave. For example, on the average, a serviceman would be charged with only 23 (working) days leave of an actual 30-day leave period. Members who take the full leave benefit in the aggregate, as they are entitled, have the advantage of working six fewer days per year than their Canadian Public Service counterparts.

D. Holidays. Service members are entitled to 12 statutory holidays per year, compared to 10 for Public Service employees.

E. Commissary and Exchange. The Canadian Forces Exchange System (CANEX) operates throughout bases in Canada and Europe. Commissaries as such do not exist, but some services normally associated with an American Commissary may be a part of a CANEX facility. CANEX only operates grocery stores at isolated posts as a profit-generating business¹ with little or no support from public funds. Retirees and dependents are entitled to use the exchange facilities.

F. Educational Assistance (Academic Upgrading). A service member may be reimbursed for tuition fees to a maximum of \$50 or 50% of the total tuition cost, whichever is greater, in any fiscal year. Costs for other than tuition fees are not reimbursed. The purpose of the

¹ Profits are limited to cover the operating expenses and to operate recreational activities and amenities both on a national (assessment on gross sales) and local basis.

training may be either for personal development or for a Defence related purpose.

G. Clothing Allowance (Effective 1976). All members receive a free issue of uniforms on enlistment. Subsequently, they must purchase their own replacement uniforms, less field issues. After a one-year period, a monthly clothing upkeep allowance is paid at the rate of \$7.25 for males and \$10.85 for females. The officers' and enlisted men's clothing allowances are the same amount, and are taxable income. This allowance is not payable for any period of service in an operational theatre, imprisonment in a civil prison, or hospitalization in excess of 90 days. Rates are revised annually.

H. Service members who reside in mobile homes are entitled to reimbursement of the cost of moving the trailer by a commercial hauler to his new place of duty. Members are also entitled to packing and crating of furniture and effects, separate shipment, and unpacking, etc., as required.

TABS

- A - Rates of Environmental Allowances
- B - Monthly Pay Rate Table, Other Ranks (Enlisted),
Effective October 1, 1974
- B1 - Monthly Pay Rate Table, Other Ranks (Enlisted),
Effective October 1, 1975
- C - Trade Matches, Public Service Journeymen -- Corporal
5A Military
- D - Monthly Pay Rate Table, Officers, Effective October 1, 1975
- E - Single Quarters Charges Procedure
- F - Quarters Charges, Rent Allowance, portion of Foreign Service
Allowance, and Post Differential Allowance
- G - Survivor Income Benefits, Integration of PA, CPP/QPP, SISIP
and CFSA

The Canadian Armed Forces

Environmental Allowances

Effective 1 October 1974 (Monthly)

Aircrew Allowance	\$100
Aircrew Casual	\$10 daily (max \$100)
Air Duty Allowance	\$65
Air Duty Casual	\$6.50 daily (max \$65)
Sea Duty	\$100
Sea Duty Casual	\$7 daily (max \$100)
Sea Duty Cumulative	\$150. For 10 years' sea duty experience
Submarine	\$205-\$265 (varies with rank)
Submarine Training	\$165-\$205 (varies with rank)
Submarine Annotated	\$105-\$165 (varies with rank)
Submarine Casual	\$7 daily (max \$100)
Diving	
Diving Ship	\$40
Diving Casual Ship	\$4 daily (max \$40)
Diving Shallow Water	\$40
Diving Casual Shallow Water	\$4 daily (max \$40)
Diving Clearance	\$175
Diving Clearance Training	\$6 daily (max \$175)
Diving Clearance (SDL) (Submersible Diver Lockout)	\$12.00 daily (max \$60) in addition to clearance rate
Paratroop	\$75
Rescue Specialist	\$150
Field Operations (Expense/Allowance)	\$3 daily (per 24-hour period of exposure)
Exceptional Hazard	\$50 (per incident)
Hypobaric Chamber	None (under review)

The Canadian Armed Forces Compensation System
Pay Schedule Effective 1 October 1974

Other Ranks
Monthly Pay Rate Table (Enlisted Men)

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Rank	Pay Level	Incentive Pay Category	Pay Zone			
			A	B	C	Specialist
Private	1		400	400	400	
	2		425	425	425	
	3		500	510	520	
	4	1	525	535	545	
			600	625	675	
Corporal	5A		675	700	750	
			852	878	988	1,078
		1	864	890	1,000	1,090
		2	876	902	1,012	1,102
		3	888	914	1,024	1,114
Master Corporal	5B	4	900	926	1,036	1,126
			877	903	1,013	1,103
		1	889	915	1,025	1,115
		2	901	927	1,037	1,127
		3	913	939	1,049	1,139
Sergeant	6A	4	925	951	1,061	1,151
			970	996	1,106	1,196
		1	983	1,009	1,119	1,209
		2	995	1,021	1,131	1,221
		3	1,007	1,033	1,145	1,235
Warrant Officer	6B	4	1,027	1,053	1,158	1,248
			1,107	1,127	1,208	1,273
		1	1,122	1,142	1,223	1,288
		2	1,137	1,157	1,238	1,303
		3	1,152	1,172	1,253	1,318
Master Warrant Officer	7	4	1,167	1,187	1,268	1,333
			1,237	1,257	1,308	1,353
		1	1,255	1,275	1,326	1,371
		2	1,273	1,293	1,344	1,389
		3	1,291	1,311	1,362	1,407
Chief Warrant Officer	8	4	1,309	1,329	1,380	1,425
			1,385	1,405	1,415	1,445
		1	1,405	1,415	1,435	1,465
		2	1,425	1,435	1,455	1,485
		3	1,445	1,455	1,475	1,505
		4	1,465	1,475	1,495	1,525

The Canadian Armed Forces Compensation System
Pay Schedule Effective 1 October 1975

Other Ranks and Monthly Rates in Canadian Dollars

Rank	Pay Level	Incentive Pay Category	Pay Zone		
			Standard	Specialist I	Specialist II
Private	Recruit		450	--	--
Private	1	Basic	475	--	--
		1	575	--	--
		2	650	--	--
		3	775	--	--
Corporal			996	1,086	1,176
		1	1,011	1,106	1,196
	5(A)	2	1,026	1,126	1,216
		3	1,041	1,146	1,236
		4	1,056	1,166	1,256
Corporal			1,031	1,121	1,211
		1	1,046	1,141	1,231
	5(B)	2	1,061	1,161	1,251
		3	1,076	1,181	1,271
		4	1,091	1,201	1,291
Sergeant			1,136	1,246	1,336
		1	1,151	1,261	1,351
	6(A)	2	1,166	1,276	1,366
		3	1,181	1,291	1,381
		4	1,196	1,306	1,396
Warrant Officer			1,287	1,362	1,427
		1	1,302	1,377	1,442
	6(B)	2	1,317	1,392	1,457
		3	1,332	1,407	1,472
		4	1,347	1,422	1,487
Master			1,438	1,488	1,533
		1	1,456	1,506	1,551
	7	2	1,474	1,524	1,569
		3	1,492	1,542	1,587
		4	1,510	1,560	1,605
Chief Warrant			1,605	1,605	1,635
		1	1,625	1,625	1,655
	8	2	1,645	1,645	1,675
		3	1,665	1,665	1,695
		4	1,685	1,685	1,715

Trade Matches
Public Service Journeyman--Corporal 5A Military

MOC	Trade	1974 P.S. Job Comparison	Latest P.S. Job Rate	Effective Date of Contract	Escalated to 1 Oct 1974 Rate	Military Factor 4%	Trade Salary for Parity	Trade Strength 5A- 1 Jun 74 for Parity	Trade Strength X
091	Flight Engineer	GL-AIM-11	1,052.13	19 Nov 73	500+8%	1,181.33	1,228.58	19	23,343.08
141	Topographical Surveyor	EG-ESS-6	1,026.42	2 Jul 73	500+8%	1,153.50	1,199.64	12	14,395.68
*161	Air Traffic Controller	AI3	-	1 Jan 75	-	1,498.25	1,558.18	21	32,721.78
221	Radio Technician	EL4	1,128.00	7 Oct 74	500	1,169.67	1,216.46	484	588,765.09
231	Radar Technician	EL4	1,128.00	7 Oct 74	500	1,169.67	1,216.46	438	532,809.48
511	AERO-Engine Technician	GL-AIM-10	1,012.27	19 Nov 73	500+8%	1,138.25	1,183.78	1,169	1,383,838.80
512	Air Frame Technician	GL-AIM-10	1,012.27	19 Nov 73	500+8%	1,138.25	1,183.78	1,410	1,669,129.80
521	Integral Systems Technician	EL4	1,128.00	7 Oct 74	500	1,169.67	1,216.46	405	492,666.30
522	Comm. Systems Technician	EL4	1,128.00	7 Oct 74	500	1,169.67	1,216.46	300	364,938.00
523	Radar Systems Technician	EL4	1,128.00	7 Oct 74	500	1,169.67	1,216.46	425	516,995.50
551	Instrument Elec. Technician	EL3	1,007.67	7 Oct 74	500	1,049.33	1,091.30	576	628,590.64
041	Field Engineer	GL-MAN-7	779.33	19 Nov 73	500+8%	886.66	922.12	367	338,420.38
052	Lineman	GL-EIM-9	820.68	19 Nov 73	500+8%	931.67	968.94	92	89,142.19
061	Weapon Surface	GL-MAM-8	802.22	19 Nov 73	500+8%	911.41	947.87	95	90,047.65
062	Weaponman Underwater	GL-MAM-8	813.12	19 Nov 73	500+8%	923.16	960.09	101	96,969.09
121	Meteorological Technician	EG-ESS-3	782.92	2 Jul 73	500+8%	890.58	926.20	115	106,513.00
131	Photographic Technician	PY-3	785.17	2 Jul 73	500+8%	893.00	928.72	174	161,597.28
151	Map Reproduction Technician	PR-OFE-4	1,124.93	1 Apr 73	8%+500+8%	1,357.08	1,411.06	23	32,454.38
211	Radio Operator	RO-2	877.25	1 Jul 74	500	918.92	955.68	422	403,296.96
291	Communicator Research	EL-3	1,007.67	7 Oct 74	500	1,049.33	1,091.30	187	204,073.10
411	Vehicle Technician	GL-VHE-8	715.02	19 Nov 73	500+8%	817.25	849.94	1,010	858,439.50
421	Weapons Technician (L)	GL-MST-10	784.28	19 Nov 73	500+8%	892.00	927.68	69	64,009.92

423	Ammunition Technician	GL-AMW-6	683.80	19 Nov 73	500+8%	783.50	814.04	847.20	7	5,930.40
431	Electro-Mechanical Tech	GL-AMW-8	742.16	19 Nov 73	500+8%	846.50	880.36			
531	Safety-Systems Technician	GL-INM-11	984.85	19 Nov 73	500+8%	1,108.66	1,153.01	1,153.01	95	109,535.95
561	Metals Technician	GL-PRW-6	720.91	19 Nov 73	500+8%	823.58	856.52	856.52	315	269,803.80
		GL-PRW-9	811.57	19 Nov 73	500+8%	921.39	958.25	959.19	195	187,042.05
562	Machineist	GL-MAN-9	813.79	19 Nov 73	500+8%	923.91	960.13			
563	Refinisher Technician	GL-MST-10	780.17	19 Nov 73	500+8%	887.58	923.08	923.08	35	32,307.80
571	Weapons Technician (A)	GL-PRW-6	721.91	19 Nov 73	500+8%	824.66	857.65	857.65	124	106,348.60
612	Structures Technician	GL-MAM-8	798.61	19 Nov 73	500+8%	907.50	943.80	943.80	428	403,946.40
613	Plumber Gas Fitter	GL-WOW-9	769.66	19 Nov 73	500+8%	876.23	911.28	911.28	64	58,321.92
		GL-PIP-9	858.03	19 Nov 73	500+8%	971.68	1,010.55	1,030.73	53	54,628.69
		GL-PIP-10	893.97	19 Nov 73	500+8%	1,010.48	1,050.90			
614	Electrician	GL-EIM-10	888.52	19 Nov 73	500+8%	1,004.60	1,044.78	1,044.78	47	49,104.66
621	REF & Mech Technician	GL-MAM-8	802.95	19 Nov 73	500+8%	912.18	948.67	948.67	66	62,612.22
622	Electrical Gen. Technician	HP-4	896.00	3 Dec 73	500+8%	1,012.68	1,053.19	1,053.19	18	18,287.24
623	Stationary Engineer	HP-2	693.58	3 Dec 73	500+8%	794.07	825.83	825.83	20	16,516.60
624	Water San & Poll Tech.	HP-2	693.58	3 Dec 73	500+8%	794.07	825.83	825.83	7	5,780.81
651	Firefighter	FR-1		6 Oct 74		904.25	940.25	940.42	401	377,108.42
711	Medical Assistant	HS-PHS-5	591.00	31 Dec 73	500+8%	683.28	710.61	710.61	349	248,002.89
714	Laboratory Technician	EG-HOT-4	724.89	2 Jul 73	500+8%	827.88	861.00	861.00	24	20,664.00
715	X-Ray Technician	EG-HOT-4	723.35	2 Jul 73	500+8%	826.22	859.27	859.27	15	12,859.05
723	Dental Lab. Technician	GL-PRW-8	801.07	19 Nov 73	500+8%	910.15	946.56	946.56	14	13,251.84
861	Cook	GS-FOS-5	608.42	30 Dec 74	500	650.08	676.08	778.57	593	461,692.01
892	Draughtsman	SC-SWD-3	746.09	25 Feb 74	500+8%	847.17	881.06			
212	Teletype Operator	DD4	948.50	24 Sep 73	500+8%	1,069.38	1,112.16	1,112.16	12	13,345.92
*722	Dental Clinical Assistant	CM3	683.42	3 Dec 73	500+8%	783.09	814.41	814.41	354	288,301.14
831	Administrative Clerk	HS-PHS-3	535.14	31 Dec 73	500+8%	622.96	647.88	647.88	78	50,534.64
841	ACCTG & Finance Clerk	CR3	716.58	30 Sep 74	500	758.25	788.58	788.58	1,254	988,879.32
		CR2	585.92	30 Sep 74	500	627.58	652.68	720.63	394	283,928.22
862	Steward	CR3	716.58	30 Sep 74	500	758.25	788.58			
		SC-STD-1	678.05	25 Feb 74	500+8%	773.69	804.64	804.64	410	329,902.40

81	Postal Clerk	PO-4	752.27	17 Mar 74	500+8%	857.45	891.75	891.75	63	56,180.25
111	Supply Technician	CS-STIS-4	737.61	30 Dec 74	500	779.28	810.45	843.49	1,481	1,249,208.69
		CR-4	800.67	30 Sep 74	500	842.82	876.53			
333	Traffic Technician	CS-STIS-2	594.66	30 Dec 74	500	636.33	661.78	661.78	151	99,928.78
335	Mobile Support Equip. Op.	GL-MDO-6	643.56	19 Nov 73	500+8%	740.04	769.64	742.02	1,432	1,055,891.46
		GL-MDO-4	594.39	19 Nov 73	500+8%	686.91	714.39			
	TOTALS							<u>16,413</u>	<u>15,623,673.77</u>	<u>951.91</u>

<u>PF Popn</u>		<u>Rates</u>		<u>1 Oct 1973</u>							
C	5,259	900		4,733,100							
B	5,537	792		4,385,304							
A	5,617	740		4,156,580		13,274,984		Reqd % Increase=17.6926			
<u>PF Popn</u>		<u>Rates</u>		<u>1 Apr 1974</u>							
C	5,259	941.67		4,952,243							
B	5,537	833.67		4,616,031							
A	5,617	781.67		4,390,640		13,958,914		Reqd % Increase=11.9262			

		1 Oct 74					
		Diff					
A	0	6,611		0			
B	26	11,445		297,570			
C	136	5,413		736,168			
D	226	19		4,294			
				1,036,032			
				Base Entitlement= 21,150,257.75			
				Base Rate = 900.475			

		1 October 1974 CPL 5A Max Rate					
A	900.475	900					
B	926.475	926					
C	1,036.475	1,036					
D	1,126.475	1,126					

The Canadian Armed Forces

Effective 1 April 1975

Annual Pay Range (General Officers)

General Service Officers

Brigadier General	27,500-36,500
Major General	31,500-41,500
Lieutenant General	35,500-47,500

Specialist Officers

Brigadier General	Medical	40,000-45,700
Brigadier General	Dental	35,000-
Brigadier General	Legal	35,100-38,800
Major General	Medical	41,500-47,500

[illegible]

LT	830	885	940	1020	1105	1190	1290	1330	1355
CPT	1480	1555	1675	1760	1845	1900	1955	2005	2025 2045 2065
MAJ	2070	2100	2130	2160	2190	2220	2250	2280	
LTC	2280	2310	2430	2370	2400	2430	2470		

LT	750	805	860	940	1025	1155	1235	1270	1295		
CPT	1350	1405	1580	1640	1700	1760	1815	1865	1885	1905	1925
MEDICAL OFFICERS (1 JULY 75) *											
CPT	1900	2075	2250	2425	2500	2575	2650				
MAJ	2650	2740	2830	2920	3010	3100					
LTC	3040	3100	3160	3220	3280						
COL	3330	3380	3430	3480							

DENIAL OFFICERS (JULY 75) -							
CPT	1835	1915	1995	2115	2195	2275	2355
MAJ	2350	2400	2450	2500	2550	2600	
LTC	2650	2700	2750	2800	2850		
COL	2900	2950	3000	3050			

Single Quarters (SQ) (Charges Procedures).

A weighted national average monthly rental for a 1 bedroom apartment of a \$150.00 (benchmark figure) is utilized for comparison and development of SQ rates. Utilizing techniques which incorporate the charge for utilities, and make allowances for facilities not provided, it is possible to provide a means of comparison with civilian rental accommodation, and to include built in adjustments in the rate of charges as applicable, covering non appraisal factors which affect the value of the SQ. Such non appraisal factors could include enforced occupancy (trainee level), loss of privacy and encouraged occupancy. Unlike the system of MQ charges, the assessment procedure is applied to six distinctive types of SQ. The "pay for what you get" philosophy prevails. Rank is no longer a factor and floor space is not involved. A furniture factor is not included in the formula because it is cost effective to furnish SQ.

The six types are:

- a. Dormitory or shared room;
- b. Single room, no other facilities;
- c. Single room with washbasin ;
- d. Single room and bathroom;
- e. Single room, bathroom and sitting room;
- f. Single room, bathroom, sitting room and kitchenette.

Base commanders will be requested to rate their types of single accommodations as very good, good, fair or poor as applicable having regard to age, general condition and adequacy of the facility to determine the established charges.

TYPE	DESCRIPTION OF ACCOMMODATION - TYPL3	RATING			
		VERY GOOD	GOOD	FAIR	POOR
I	Dormitory accommodation or shared room	\$ 25.00	\$ 24.00	\$ 22.00	\$ 21.00
II	Single room no other facilities	42.00	39.00	37.00	35.00
III	Single room and wash basin	55.00	53.00	50.00	48.00
IV	Single room and bathroom	73.00	69.00	66.00	63.00
V	Single room, bathroom and sitting room	95.00	90.00	83.00	77.00
VI	Single room, bathroom, sitting room and kitchenette	121.00	113.00	103.00	93.00

(1 Apr 76)

**GOVERNMENT QUARTERS CHARGES RENT ALLOWANCE,
AND POST DIFFERENTIAL ALLOWANCE**

**I. Table for the Purpose of Computing the Rent Allowance Portion of
Foreign Service Allowance (Effective 1976)**

Monthly Rates

Group	Basic Amount unfurnished	Basic Share Number in the Household			
		1	2	3 or 4	5 or more
<u>A</u>	\$575.00	\$174.00	\$230.00	\$285.00	\$314.00
B	525.00	161.00	217.00	272.00	301.00
C	485.00	152.00	199.00	248.00	273.00
<u>D</u>	<u>445.00</u>	<u>148.00</u>	<u>193.00</u>	<u>240.00</u>	<u>264.00</u>
E	405.00	145.00	187.00	231.00	254.00
F	345.00	141.00	178.00	215.00	235.00
<u>G</u>	<u>345.00</u>	137.00	170.00	199.00	213.00

Group A corresponds to BGen and above; Group D, major;

Group G, corporal and below

Basic Share Government Quarters Charges at Ottawa only.

Basic Amount Maximum charges for rank, under the Fair Market Value System for Government Charges. Furnished quarters vary from \$430 for Group A to \$706 for Group G.

II. Post Differential Allowance:

Members who are serving at a place of duty for which a post differential number is prescribed by the Treasury Board is entitled to a Post Differential Allowance at the monthly rate as follows. (1 March 1973)

<u>Post Differential Number</u>	<u>Monthly Rate</u>
1	\$33.33
2	50.00
3	66.66
4	83.33

are claiming.

Most of you will never cash in on a SISIP disability benefit. But all of you need the protection that SISIP gives. Can anyone afford to ignore the peace of mind that 1/8th of 1% of his salary can buy?

Survivor Benefits

Most single people have no dependants and there is little need for them to provide survivor income protection in the event of death. For this reason, single personnel have been excluded from the survivor income part of the plan and their premiums are reduced accordingly.

SISIP Survivor Benefits are a special type of insurance under which the benefits are paid as a monthly income. Most of us have "life insurance" in the form of SOB, and some of us have large amounts of personal insurance. But what may seem like an impressively large amount of insurance can become distressingly small when expressed as the amount of monthly income it will provide for a surviving spouse. To determine the need for SISIP protection, or in fact any insurance, we must examine the total of all our existing pension and insurance benefits together. If this examination of survivor income benefit is to make any sense, it should be expressed in terms of monthly income. The required level of protection depends on the age of the spouse and the number of dependent children. A monthly income amounting to from 50% to 80% of your present income is probably adequate for a surviving wife without children. Add 5% of your present income for each child and you will have a realistic minimum level of protection. Orphaned children will of course need more than the 5% individual amount.

We do not know how much personal life insurance you now have. But we can show you the protection provided by the CPP/OPP, CFSA or DSPCA, SISIP, and the Pension Act should there be an entitlement to it. Again we will use graphs for personnel whose incomes are \$600, \$800, \$1,200, and \$1,800 per month.

GRAPHS

The graphs use two columns, one to show your benefits if the Pension Act applies, and one to show your benefits if it does not apply. Without SISIP or a Pension Act benefit, the dependants of most servicemen face a bleak future. Again, the higher the present level of income, the greater the need for SISIP protection. We have chosen to show the situation of a widow with two children. Had we shown a widow without children, or a widow with four children the picture would not change very much. The widow without children would receive less money and would have fewer expenses. Con-

without, the widow with four children would receive more money and would have more expenses.

If you can be sure that your dependants will be entitled to a Pension Act annuity, you can forget about SISIP. Also, if you have 30 years or more of service, don't earn over \$800 a month, and have lots of insurance, you can ignore SISIP. But the rest of you should examine these graphs carefully before you decide you can do without SISIP.

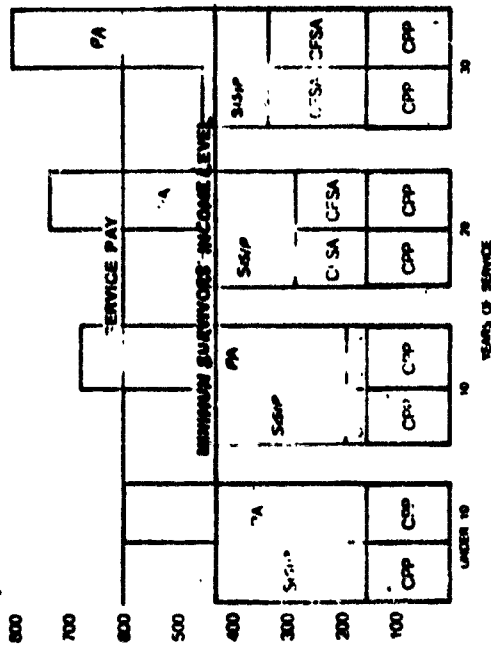
If your spouse remarries or engages in a common law relationship, SISIP benefits will stop two years after the date of the change of marital status.

SISIP benefits are provided for orphaned children at the same rate as for your spouse. These benefits continue until the youngest child is 18 years old or until age 25 if attending a University or School.

SURVIVOR INCOME BENEFITS

SPOUSE, 2 CHILDREN

Member with Pay of \$800/Month



Dependents' Life Insurance Benefits

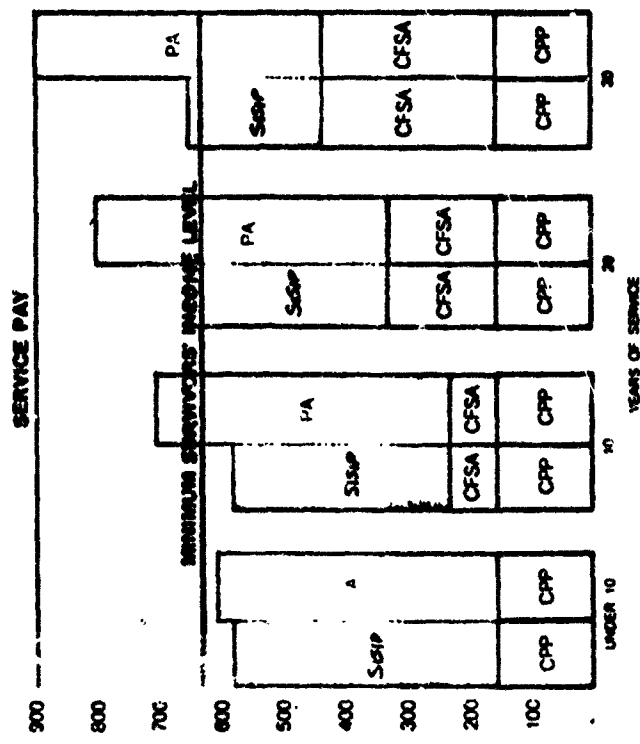
A nominal amount of dependants' insurance is included in your SISP package to meet funeral and other costs. The amounts are:

- Death of your spouse — \$10,000
- Death of a dependent child not age 18 or not age 25 if a full-time student at a school or university — \$1,000

SURVIVOR INCOME BENEFITS

SPOUSE, 2 CHILDREN

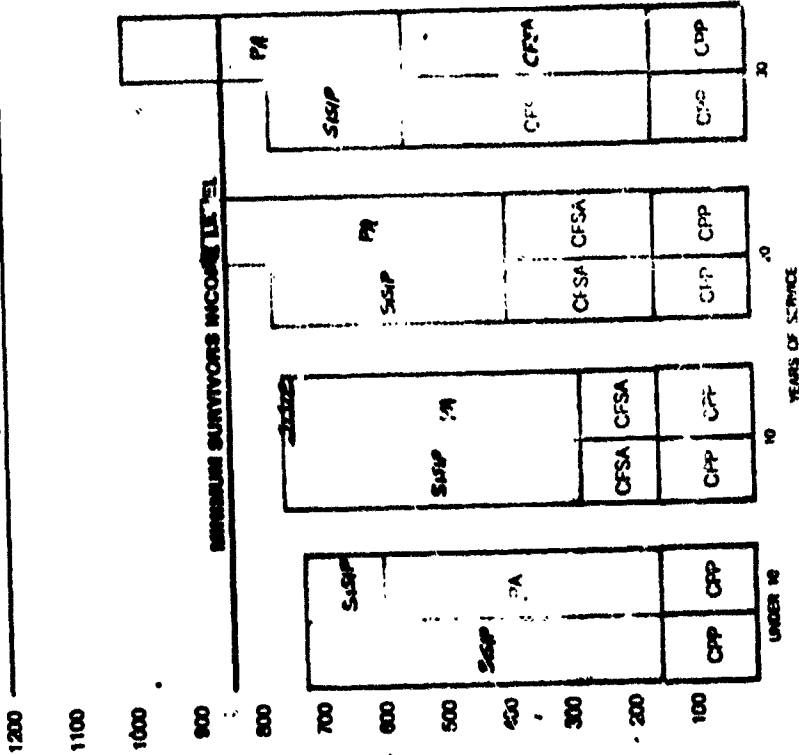
Member with Pay of \$900/Month



SPOUSE, 2 CHILDREN

Member with Pay of \$1200/Month

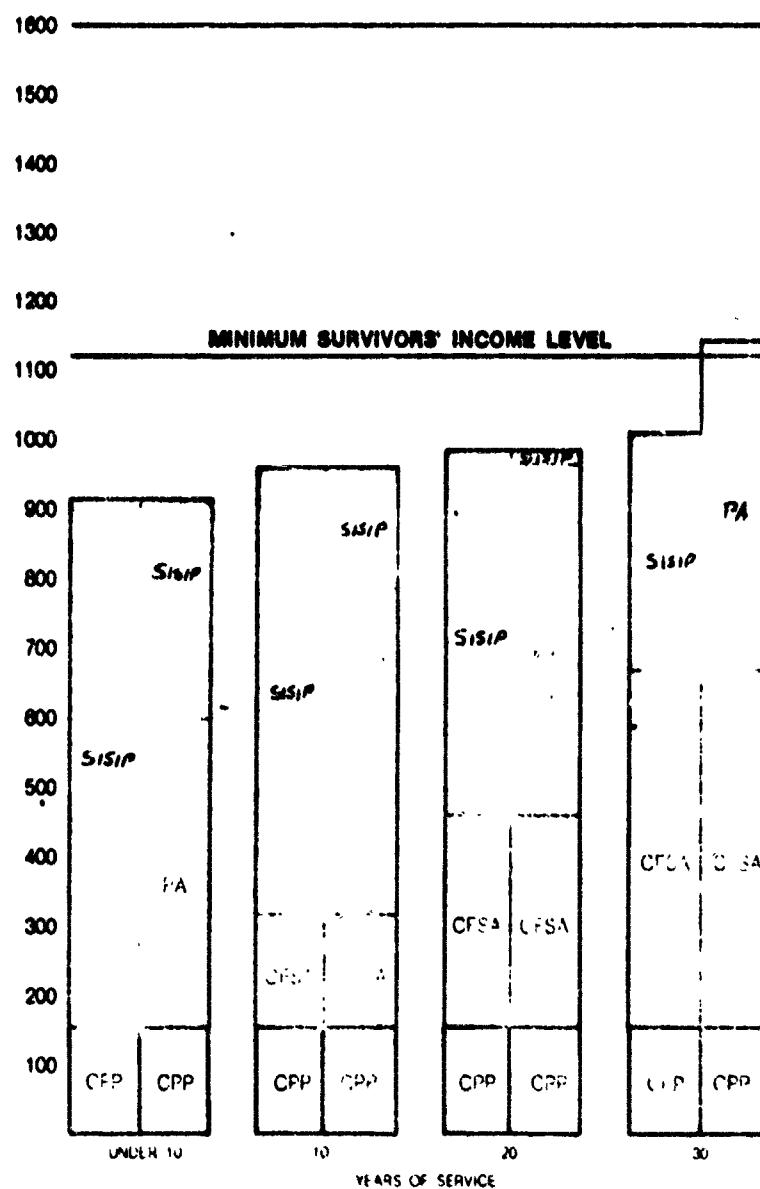
SERVICE PAY



SURVIVOR INCOME BENEFITS

SPOUSE, 2 CHILDREN

Member with Pay of \$1600/Month



AUSTRALIA

AUSTRALIA¹

I. Military Compensation System

Introduction

The basic remuneration for members of the Australian Defence Force consists of salary for the rank held plus a service allowance.²

The aggregate of salary and service allowance is known as military salary.

As a basic principle, wage and salary determinations widely adopted in the civilian sector are accepted and applied to the Armed Forces so that Defence Force salary determinations reflect community concepts and standards. In the application of these principles, the civilian reference area is the Australian Public Service. Salaries from broadly comparable areas are taken as suitable indicators for Public Service salaries and thereupon indirectly for Defence Force salaries.

The conditions under which work is performed are also taken into consideration when civilian salaries are determined. For example, if adverse working conditions are an integral and unavoidable feature of employment, these become a factor in salary assessment. This is a principle of civilian wage setting that is also accepted by the Armed Forces. Where exceptionally uncomfortable conditions of service are met, these are compensated by the payment of an allowance.

¹ Source: Interviews and correspondence with Military Attaches, Embassy of Australia, Washington, D.C. and Kerr-Woodward Committee Report, 1971

² A service allowance is the Australian equivalent of the British "X-Factor"; viz., an extra amount of pay that takes into account the special conditions of military service not found in civilian employment.

Salaries¹ within the Armed Services are assessed as follows:

a. Other Ranks (Enlisted Men, including Non-Commissioned Officers).

The six pay levels applying from private to corporal are based upon broad generic comparison of community pay levels for trade skills, and service employments are allocated to them in accordance with appropriate criteria relevant to the Defence Force. For senior non-commissioned officers, a common pay scale is applied in recognition of managerial skills which ensures that, by the time a sergeant reaches the top of his incremented scale, he is being paid more than any private or corporal. Moreover, ascending increments and differentials relative to ranks are provided at sergeant level and above. The salary structure as a whole is revised in the light of increases granted to the trade/technical area of the Australian Public Service.

b. Officers - This category, with the exceptions of chaplains, medical, and dental officers, is seen as belonging to the "Profession of Arms." Accordingly, their level is assessed in relation to the pay of other professional groups, in terms of corresponding levels of training, skill and responsibility. Officer salary levels are revised in the light of salary increases granted to professional officer designations in the Australian Public Service.

c. Medical and Dental Officers - Salaries for these categories are specifically aligned with certain categories of medical officers in the Australian Public Service. These salaries are adjusted in conformity

¹ See Tab A for Salaries of Officers and other ranks effective Feb. 20, 1976.

with movements in the salaries of the categories with whom they are equated.

d. Chaplains - The commencing rate is the same as that of an Army captain "on promotion." From this point, the salary scale extends to the maximum salary level of the lieutenant colonel common scale. Salaries are adjusted whenever officer common scale salaries are increased.

e. Female Categories - Females in the Defence Force receive salary on the following bases:

1. Private level - equal pay as for males of similar category.
2. NCO's About 94% of the equivalent male rates.
3. Female officers (General List) and male and female nursing officers - 80% of the male officer (General List) common scale rates for relative rank and increment. Salaries are adjusted in accordance with the accepted formula whenever the related male categories are increased.

f. Officers of Star Rank - a defined relationship is established between salaries of officers at brigadier and major general ranks and certain levels of the Second Division of the Australian Public Service.

In addition, Australian Defence Force salaries are adjusted for community movements in accordance with decisions handed down by the Australian Conciliation and Arbitration Commission. (Federal wage fixing authority).

1. Compensation Base. (Rationale)

A. Enlisted Men (Other Ranks)

In 1958 Australia established a "Group Pay System" for compensating the "other ranks" (enlisted personnel) of its military forces. Under this system, enlisted pay rates were based on pay rates prescribed for civilian occupations with comparable functions and skills. Federal award classifications, or state and commonwealth public service determinations if they were equivalent, were used to compare civilian occupations and military duties. Seven enlisted pay groups were originally developed; this number had expanded to more than 30 groups by 1971.

Numerous complaints resulted from (1) the multiplicity of groups; (2) the premium placed on trade and technical skill as opposed to rank; (3) the lack of proportion between the increase in pay resulting from promotion and its increase in responsibility as opposed to trade and technical skill adjustments; and (4) the tendency of the civilian alignment system to leave behind personnel whose main skill was military. It was clear that few, if any, understood the way their pay was made up, what the elements in it were, that a deduction was made in the case of single personnel for rations and quarters before rates of pay were expressed, and the value of completely or partially tax exempt provisions in pay and allowances. The Kerr Report of 1971 concluded that the Group Pay System was unsatisfactory and that, in the interest of wage justice and

improved personnel administration, the system needed fundamental changes.

Australia adopted the recommendations of the Kerr-Woodward Committee Report in 1973, and established a salary system for its military forces. The salary is fully taxable, and is the actual rate for the job as determined for each pay level and rank, covering all military duties. As a first step, in the interest of consistent treatment among all public employees, the principles of equality of pay and conditions of employment between members of the military forces and commonwealth employees were adopted. Secondly, in order to properly fix other ranks' (enlisted) pay, a true work value inquiry¹ into military duties was undertaken.

An interim arrangement adopted a structure of six pay levels through the rank of corporal. These pay levels were broadly related to the general civilian industrial structure and absorbed the existing pay groups as follows:

Level 1 - groups 1 to 4 inclusive (minimum skilled)

Level 2 - groups 5 to 7 inclusive (semi-skilled)

Level 3 - groups 8 to 10 inclusive (lower-skilled tradesmen and equivalents)

Level 4 groups 11 to 13 inclusive (skilled tradesmen and equivalents)

¹ An Australian "work value inquiry" is equivalent to an American job audit; i. e., the evaluation of the job content of duties in relation to the grade assigned to perform those duties.

Level 5 - groups 14 to 16 inclusive (higher skilled tradesmen and equivalents)

Level 6 - groups 17 to 19 inclusive, and those in groups 20 and above (technicians and equivalents).

The differential between each level was approximately \$A300 a year because the rate for each pay level was the rate currently applying to the highest group under the existing structure encompassed by each proposed level. To apply lower rates was not feasible or practical because it would have meant that a substantial number of personnel would have received less pay than they were receiving, so that there would need to have been an undesirably high number of non-reduction (save pay) provisions. More to the point, however, was that the new system followed the normal civilian practice of "broadbanding. "Ranks up to corporal remained within the group structure, with differentials, in all pay levels, of \$A120 a year between private and lance corporal and \$A205 a year between lance corporal and corporal. In the case of sergeants and above, the interim arrangement adopted one pay scale for each rank on the assumption that management rather than trade skills is the highest function of senior NCO's and that this responsibility is, prima facie, common at each rank level. Those in existing groups 1 to 4 were placed in the sergeant 0/1 rate; those in existing groups 5 to 7 - the sergeant 0/2 rate; those in existing groups 8 to 10 - the

sergeant 0/3 rate; those in existing groups 11 to 13 - the sergeant 0/4 rate; those in existing group 14 to 16 - the sergeant 0/5 rate; and those in existing groups 17 to 19 and groups 20 and above - the sergeant 0/6 rate.

In the case of ranks above sergeant, those receiving less than the new "on promotion" rate for rank received that rate. Those personnel receiving more than the "on promotion" rate were placed in the increment next above their existing rate of pay.

Because the broadbanding approach of the interim arrangement covered none of the groups in the prior system above group 19, there were a very small number of privates and corporals in group 20 and above who, even when placed in the highest pay level, Level 6, received a lower rate of pay than they had been receiving. There were a few sergeants as well who, when placed at the interim pay rate for that rank, received a lower rate of pay than they had been receiving. These personnel were protected by the application of non-reduction provisions and their positions were given first priority in the work value inquiry. The full work value inquiry was of cardinal importance and central to the development of a coherent and realistic wage policy for other rank personnel of the Armed Forces. The introduction of work value processes tailored to suit the special conditions of the services established rates of pay which have full regard to the actual work done by all categories of service personnel and the circumstances under which it is done. These processes regard the Armed Forces as constituting an industry in their own right. They establish as well a value system which reflects the relative worth

of each service employment in terms of its functions, skill, training and responsibilities, and, in a broad way, civilian standards of remuneration. The service's job evaluation processes on their own are not regarded as conclusive in any wage fixing exercise. Job evaluation is a systematic method of recording relevant data and a guide in reaching conclusions. In the ultimate, judgment formed from detached objective analysis and careful examination of all the evidence -- of which job evaluation results are but one part -- is the final determinant in fixing rates of pay. As the services in Australia are not unionized, there is a greater need, in justice, to see that they have their salaries fixed by application of the same principles as apply throughout the rest of the community, though by the use of a different type of procedure.

B. Female Other Ranks

Appropriate adjustments were made to reflect the 1970 decision to grant equal pay to female privates, with the exception of certain employments. The 1970 decision adjusted the pay of female servicemembers in the light of changed community standards.¹ This resulted in significant increases, because the new male rates incorporated the special service allowance which was not formerly payable to females. Until 1976, NCO female rates were 80% of the equivalent male rates. The 20 February 1976 rates of salary for NCO females have been adjusted to about 94% of equivalent male rates.

¹ See paragraph E, Female Officers, for additional details.

² See Tab A for rates of pay for male and female other ranks.

C. Male Officers

Several of the principles of other ranks' pay are equally applicable to officers, both male and female, and to junior categories as well. Moreover, in considering the armed forces as an "industry" in its own right, a uniform and cohesive code of principles, consistent with those applicable in civil life and in harmony with needs and aspirations of the services, is clearly necessary, rather than principles and concepts which deal with the various groups of personnel in a disjointed and unrelated fashion.

- Chiefs of Staff are paid consolidated annual salaries fixed by the government by direct alignment with those of first division officers -- permanent heads of the commonwealth Public Service.

- Major generals, lieutenant generals, and equivalent ranks are also paid consolidated annual salaries which are set by direct alignment with the salaries of senior civil servants. Major generals are aligned with level 4 of the second division of the commonwealth Public Service, and brigadiers are identical to level 2 salary of the second division of the commonwealth Public Service.

The officers' salary scale was restructured as a result of a 1970 review by the Defence (conditions of service) Committee. The purpose of this Committee was to provide a more suitable incremental structure, a balanced progression in salary, and a pay relationship for officers up to and including colonel rank linked with commonwealth Public

Service third division administrative and managerial salaries. Such a salary system was produced and provided a basis for future adjustments to officers' salaries and for removing doubts and uncertainties as to how and in response to what factors officers' salaries would move in the future.

As previously stated, Australia adopted the recommendations of Kerr-Woodward Committee Report in 1973. One recommendation was that the proper means to determine the salaries of service officers was to assess the real worth of officers in the context of the "industry" in which they are employed and in terms of their functions and responsibilities and other relevant attributes and factors. In this way, proper consideration can be given to these factors so that fair and adequate remuneration may be provided. In short, the work of officers has to be carefully studied and evaluated in order to finally assess their salaries. Once the work value inquiries are completed, and unless there are substantial changes to the functions of all personnel, they should not be necessary again. Of course, the functions and required skills of some personnel will doubtless change and they will have to be reassessed for salary purposes. A work value inquiry, once completed, does not need to be repeated for each subsequent salary review.

As a first step in the work value inquiry, a pilot study, designed and undertaken so as to apply job evaluation techniques as an aid in dealing with the question of officers salaries, was conducted by a firm of management consultants. The project was carried out by a team of representatives of the firm of consultants and uniformed service personnel.

In conducting the study, comprehensive questionnaires were used to cover the major aspects of officers' jobs. Interviews were carried out with over two hundred officers and their jobs were analyzed to determine the nature and requirements of their assignments, together with some of the various assignments into which they may be placed. The study showed that job evaluation techniques can be applied to assess the worth of officers' employments and should be used as a guide in the determination of officers' salaries. The definitive assessment of officers' salaries must be made by impartial and objective means and in the light of all relevant considerations of which the results of the job evaluation study are one. It is necessary for those who have the task of forming judgments as to the proper structure and levels of officers' salaries to become intimately familiar with officers' work and the circumstances and conditions under which it is performed. Only in this way can proper judgments be exercised and the results of the job evaluation study competently assessed.

As an interim arrangement, officers' salary scales were developed based on the pilot study of the work value assessment. The interim salary scale will have to be validated as part of the final and definitive work value inquiry. The levels of salary were aligned to the rates applying in the commonwealth Public Service for professional groups, on the grounds that officers are a professional class. This meant that salaries were generally increased, since the previous connection between officer's salaries and salaries in the third division administrative and managerial areas of the commonwealth Public Service was abandoned.

As tax exempt elements in service salaries represent a tangible benefit to all personnel, which by and large is not enjoyed by civilian wage and salaried employees, the existence and value of this benefit was considered in developing the interim salary rates.¹

In future reviews of officers' salaries which will be carried out to maintain equity with community standards, regard will be given to the levels of professional salaries in the community, and particularly those in the commonwealth Public Service.

D. Officers promoted from other ranks (enlisted).

Officers promoted from senior NCO ranks (i. e., sergeants and above) are usually older, more mature, more experienced, and generally of more value than younger academy-trained officers in their early years. Therefore, a special scale of salaries at Army captain and lieutenant levels, separate from the general list scale, was established for other rank personnel who are promoted to officer and who, immediately before promotion, held the rank of sergeant or above. Those promoted to officer rank from the rank of corporal or below are usually younger and less experienced than those promoted from sergeant or above, and these, therefore, are placed on the general list scale.

In both cases, those promoted from the ranks are placed on the incremental point in the rank to which they are promoted so as to provide

¹ See Tab A for these officer salary rates.

a rate of salary next above the rate they were receiving as other
ranks.¹

E. Female Officers.

During the Second World War, female officers received about two-thirds the pay of a male of equivalent rank, and this relationship was formalized in the Post-War Pay Code Review of 1947. This proportion was considered to result in a reasonable alignment with the general level of rates for female employees in the commonwealth public service. In 1970, female officers' rates were adjusted in the light of changed community standards. The rates of pay were calculated on the following basis: Seventy-five percent of the male basic wage plus 80% of the combined margin for skill/rank. This formula was adopted as an interim measure only to provide a reasonable comparison with rates for females in the commonwealth public service and in industry.

The 1973 interim arrangement changed this formula. The new formula was a straight-forward 80% of corresponding male rates. The whole question of female rates will be examined again in the final work value inquiry. The scales for females cannot be resolved without a full examination of all aspects of the position of females in the Armed Services. These inquiries must also reexamine the government policy decision of 1970.²

¹ See Tab A for salary rates.

² See Tab A for salary rates.

F. Salary System Conversion Cost

An estimate of the total net cost for the conversion to a salary system was \$A72.9 million in a full year as follows:

\$A34.1 million, costs arising from restructuring and re-expression of services' pay and continuing allowances and the provision of a service allowance¹ of \$A750 per annum.

\$A30.2 million cost of salary increases for other ranks, additional to increases on restructuring.

\$A3.5 million net cost of other changes after adjustment for increased charges for rations and quarters and abolition of certain allowances.

\$A5.1 million cost of proposals relating to salary increases for junior and trainee categories.

\$A72.9 million total net cost.

G. Quarters and Subsistence

The provision of married quarters is not an obligation of the Australian Armed Forces, but wherever possible, servicemen are housed in Australian government-owned married quarters, state government-owned houses leased to the Australian government, or civilian houses hired on a long term basis. Where married quarters cannot be provided and private housing is available, a rental subsidy may be paid with due regard to the member's rank and status. In addition, where a member and his family

¹ Service allowance raised to \$A950.00 per annum in 1974. See paragraph 5, Service Allowance, for additional details.

occupy hotel-type accommodations while awaiting assignment of married quarters. Such costs are partially reimbursed for more-than-normal expenses for a period of up to six weeks.

Because quarters are owned by various independent governmental agencies, there was a wide range of rents; however, the Group Rent Scheme¹ introduced in 1976 ensures that every member of the same rank pays the same rent while being accommodated in quarters appropriate to his rank. Members who own their own homes are not compensated in any way.

As a general rule, service personnel are charged a reasonable rate for rations and quarters provided in-kind. Single personnel who occupy government quarters on bases and take their meals at a government messing facility are charged at the following rates, effective August 21, 1975:

Combined Quarters & Ration Charges (Daily)

Private and Corporals	\$A2.20
Sergeant - Warrant Officers	\$A2.70
Officers	\$A3.00

Members living off base, but having occasional meals in a government mess are charged at the following rates effective August 21, 1975:

¹ See Tab B for Group Rent Scheme Rates for Government Quarters and details.

Breakfast	\$A0.50
Lunch	\$A0.60
Dinner	\$A0.70

These rates are considered by the Australians to be fair in all circumstances and are fixed by taking into account variations that exist. The charges are significantly less than the actual cost of providing meals and accommodations, which at present is between \$A5.50 and \$A6.00 per day, including overhead but not capital costs. Nevertheless, they are greater than the previous uniform deduction of \$A1.32 a day for all ranks. The Australians consider that the full cost of providing rations and quarters should not be borne by members because of two reasons: first, service personnel are required to pay for rations and quarters if they live-out for periods of less than 72 hours; and second, service personnel as a general rule have no choice where they live and eat.

● Living-Out Allowance

The concept of paying a living-out allowance for members who are required to live away from a service establishment and obtain private commercial accommodation is considered by the Australians to be a valid one which will be continued, but in a more realistic and effective manner.

Financial assistance may be provided to single members who are required to live out, to the extent of the difference between the charge they would meet for rations and quarters if living in and the

reasonable cost of commercial accommodation and laundry charges, if service laundry facilities are not available to them.

Charges for rations are not levied when, for unavoidable reasons, members are provided with substandard meals; i. e., in the case of exercises in the field or aboard service ships where the cooking and eating of meals is carried out in conditions which are usually of a lower standard than on shore.

3. Tax Advantage

The Taxation Commissioner allows remissions on taxation for members posted to Singapore, Malaysia, Papua and New Guinea to compensate for isolation, unpleasant living conditions, and climate.

4. Annual Leave

The annual leave entitlement of Australian Defence personnel is currently under review within the Department of Defence. Pending the outcome of that review, the current system entitles servicemen to 20 days recreation leave per year, granted on a 5-day working week which excludes Saturdays, Sundays and public holidays. Traveling time is also excluded from leave liability for members whose annual leave journey from their base to the address of their next of kin is in excess of twelve hours by the normal means of transport. The amount of traveling time actually granted for the leave period is determined by the calculated time of travel to and from the stated leave address.

In addition to the basic entitlement of twenty days recreation leave, a further 10 days per annum special leave is granted to military aviators and sea-going personnel.

Remote area service (e.g., Antarctica, Malaysia, Singapore) earns an additional 10 days remote area leave. Duty at defined remote areas within Australia; e.g., Darwin, North West Cape, Woomera, Cairns and Townsville, also entitles members serving in those areas to an additional period of remote area leave. The amount of remote area leave within Australia is aligned to that granted to Australian public servants for service in the particular locality.

- Holidays

The public holiday entitlement of Australians varies by state and averages about 11 days per year.

- Maternity Leave

A pregnant servicewoman may elect discharge or continuation in the service. If the choice is to remain in the service, the pregnant servicewoman may cease duty at any time she wishes or is requested to do so when, in the opinion of her commanding officer (after receiving advice from a medical officer and the Senior Women's Service Officer in the area), she is no longer capable of meeting her service commitments. In any event, she must cease duty no later than four months prior to the expected date of confinement. A pregnant servicewoman may be granted a maximum period of twelve months leave from the date of ceasing duty.

The leave period comprises accrued recreation leave, twelve weeks leave on full pay and the balance of the period to be leave without pay.

● Special Leave

At various designated posts around the world, members may earn up to two weeks additional leave per year. This allowance is given in recognition of special difficulties associated with the posting, e.g., climate and environment. This provision is designed to allow people relief from the unpleasant features and to prepare themselves for another tour of duty at the post.

5. Service Allowance ("X Factor")

Service allowance is compensation for:

- a. The need to be on call at all times and to work long and irregular hours as required;
- b. To live and work, at times, in uncomfortable conditions short of those which have been expressly provided for by other allowances or in pay;
- c. The requirement to submit to discipline and control in many matters in which a civilian has some freedom of choice, such as where and how to live, when to take holidays and questions of personal appearance; and,
- d. Turbulence in transfers to the extent that such disruptions are not compensated on occurrence.

Except for two groups, all servicemen and servicewomen are entitled to a service allowance of \$A950 a year regardless of rank.

The two groups excepted from entitlement are:

a. Senior officers on consolidated rates of salary, i.e., medical/dental officers of the rank of lieutenant colonel and equivalent or above, and officers of star rank; and,

b. Junior trainees, junior recruits, officer cadets and undergraduates - while members in these categories are attending a service college/academy or training establishment.

There is no direct relationship between the service allowance and salary. They are both subject to regular review but may be reviewed independently of each other. The allowance is fully taxable, and is also part of the base from which retired pay is computed. Effective November 1, 1975 the service allowance was reviewed and increased to \$A950 per year.

II. Supplemental Benefits

1. Medical Care (Active and Retired)

- a. Servicemen on active duty receive total health (medical/dental) care at the expense of the Australian government.
- b. Retired servicemen are not provided medical care by the Defence services. However, they are eligible for medical care through the Australian social service medical scheme called "MediBank" under which all Australians receive free medical treatment. However, effective October 1, 1976, each retiree and his family will be taxed individually for MediBank or will be required to have private health insurance.

2. Medical Absence

Medical absence is continuous absence from duty because of illness/injury, and includes absence for:

- a. minor illness 48-72 hours;
- b. hospitalization;
- c. convalescence/sick leave

but excludes short periods of absence for the purposes of reporting sick, medical/dental examination/investigation, and outpatient treatment.

In general terms, a serviceman who has been absent from duty on account of illness or injury for a continuous period of six months, is not entitled to pay or allowances for any period of absence after the expiration of that period of six months. His active duty may then be terminated.

However, subject to assessment and in consideration of the cause of the illness or injury, the appropriate Service Board may approve the continuing entitlement to pay and allowances for a total period not exceeding eighteen months. The conditions for the granting of convalescence/sick leave vary between the Navy, the Army and Air Force, but, in general terms, periods up to 28 days may be approved, after which the servicemen's medical condition is reassessed and the approval of higher authority needs to be sought for additional convalescence/sick leave.

3. Medical Care for Dependents

Dependents of servicemen based in Australia do not receive medical care under Defence arrangements except in an emergency situation. The Australian government's social service medical scheme called Medibank provides that all Australians receive free medical treatment. However, effective October 1, 1976, each family will be taxed individually for Medibank. The service family's costs under Medibank will be half of the cost to a civilian family, since the member is entitled to free medical care. Consequently, where a member's dependents accompany him overseas, a reimbursement scheme is used so that the dependents receive free medical treatment. This ensures that an overseas member's dependents are not at a disadvantage compared with those in Australia.

4. Health Insurance

The Navy and Army each operate a separate and autonomous voluntary health benefits fund, that is registered with the Department of Social Services. The benefits under these schemes differ from one service to the other, while the Air Force does not have a fund at all. Since the introduction of Medibank, these funds have been mainly used for covering certain consultation costs and hospital treatment for families of active duty servicemembers.

5. Life Insurance

Life insurance for servicemen is a personal matter and is not provided by the Department of Defence; however, the Department of Defence does monitor the policies of insurance companies to ensure that members are not discriminated against because of their military status.

Extra risk allowance is paid by the Department of Defence in an annual amount to reimburse a member for any additional premiums levied by insurance companies as loadings arising from the member's specific service employment; e.g., flying. Annual payments to a maximum of \$A150 per member may be made for this purpose, subject to the provision of satisfactory evidence that the loading was in fact paid.

Coverage against death or invalidity during service is included in the Defence Force Retirement and Death Benefits Scheme.¹

6. Social Security

The social insurance old age pension is need-related. Military retired pay is above the minimum levels; therefore, military retirees do not receive Social Security old-age retirement pensions in addition to their normal military pensions.

7. Retirement (The Defence Force Retirement and Death Benefits Scheme - DFRDB)

The Defence Force Retirement Benefit Act is administered, subject to the directions of the Minister for Defence, by a statutory DFRDB authority which comprises a Chairman, three service representatives and a Department of Defence representative appointed by the Minister for Defence.

Membership in the scheme is compulsory for all personnel engaged on full time continuous service for a period of not less than one year. In addition to retirement pensions, the scheme includes coverage against death or disability during service with survivor benefits for members of the family unit who have an insurable interest in the contributor or pensioner.

Contributions to the Superannuation Scheme are 5.5% of

¹ See paragraph 7 below.

military salary; i.e., the highest incremental level of salary plus service allowance within the rank by all contributors. The method of establishing retirement benefits is related to years of effective service for both officer and non-commissioned ranks. For example, 20 years earns a retirement pension of 35% of the final military salary of the top increment for the member's rank. The minimum qualifying period of service for pension purposes is 15 years.¹

A member of the DFRDB Scheme, who is retired from the Defence Force on the grounds of disability or physical or mental incapacity resulting in an inability to perform his duties, is entitled to disability benefits if his retirement does not occur within 1 year of becoming a contributor or if the incapacity is not due to willful action on the part of the member.

A widow of a deceased contributor receives five-eighths of the pension the member would have received had he been retired for disability. The pension for a child of a deceased contributor or pensioner is \$A312 per annum plus one-sixth of the widow's entitlement.

While the scheme provides a form of comprehensive insurance for members of the Defence Force against the risks of disability and death during service, it also incorporates a retirement pension arrangement specially geared to the conditions of service of members, particularly early retiring ages.

¹ See Tab C

A new Superannuation Scheme has been under consideration since July 1974. The new Superannuation Scheme is scheduled to come into force on July 1, 1976. When the Australian government announces details of the new Superannuation Scheme it is expected that details will be given of the formulae to be applied for annual updating relative to the DFRDB and old Superannuation Scheme, and to the DFRDB and the new Superannuation Scheme.

• Commutation

Up to one year after retirement retired members may elect to receive (commute) up to four times their annual retirement pay in a lump sum. The amount is not taxable, provided at least one payment of retired pay had been received. Subsequent retirement payments are correspondingly reduced as illustrated in the following example:

Sergeant (0/2 years) with annual base pay of \$A7,833,
25 years of service, age 42.

(a) Contribution before retirement $5.5\% \times \$A9,590 + \$A950 =$
\$A579.70/year.

(b) Full retirement (without commutation)

Retirement Base = military salary (top increment), plus service allowance
 $\$A9,590 + \$A950 = \$A10,540/\text{year}$

Retirement percentage 42.5% (See Tab C)

Retirement Pay (RP)

$\$A10,540 \times .425 = \$A4,479.50/\text{year}$

(c) Retirement if commutation selected lump sum

$$4 \times (RP) = \$17,918 \text{ (non-taxable)}$$

$$\text{Residual retirement pay (RRP)} = RP - \frac{c}{f}$$

c=commutation (lump sum payment)

f=life expectancy factor (See Tab E)

$$\$4,479.50 - \frac{\$17,918}{30.03} = \$3,882.83$$

$$\text{Residual retirement pay} = \$3,882.83 \text{ per year}$$

which will be updated annually.

• Early Retirement (Prior to reaching normal age)

Officers retiring at own request or on disciplinary grounds before attaining the normal retiring age for their substantive or provisional rank¹ are subject to a penalty which reduces their retirement pay by a percentage. The reduction is calculated by multiplying the number of years of non-completed service (including partially completed years regarded as a year short of normal retiring age), by 3%. For example:

Major B. retires at age 37 having completed 20 years' service. The military salary for top increment is \$17,718 per year. The normal retiring age of a major is 42.

Retirement Base = \$17,718 per year

Retirement pay percentage of military salary for actual completed years of service = 35%.

Retired pay (if at normal age) = \$A6,201.30 per year

Number of years uncompleted service 4 3/4 years -- i.e.,
5 years for application of the penalty.

Reduction in retirement pay to apply $\$A6,201.30 \times \frac{5 \times 3}{100}$

on application of penalty \$A930.19.

Reduced retired pay $\$A6,201.30 - \$A930.19 = \$A5,271.11$
per year which will be updated annually.

III. Special and Premium Pays (Supplementary Pays)

In addition to salary and the service allowance, certain other pays and allowances are paid which generally recognize:

- The temporary use of higher skills than those for which the particular serviceman is normally paid;
- Exceptionally unpleasant working conditions not intrinsic to the serviceman's employment;
- Compensation for sub-standard conditions when living on the job; and
- The requirement for some form of attraction rate, when deemed necessary, if proper pay levels fail to attract sufficient men to, or retain them in, a particular category.

1. Reengagement Bounty (Bonus)

A. tax free reengagement bounty of \$A1,000 is paid to other rank members of the Regular Forces and the Reserve Forces serving on continuous full-time service, who reengage for a minimum period of three years on completion of their initial six years of service. The earliest point at which the bounty becomes payable for apprentice entrants is nine years, the first three years of apprenticeship not counting towards the service for bounty.

Any member who, having received the bounty, fails to complete the three years minimum paid service because of non-effective service,

discharge for misconduct, inefficiency, or a request without sufficient compassionate grounds, is required to repay a proportional amount of the bounty.

2. Proficiency

Members who acquire a certain proficiency in a foreign language may be entitled to a language proficiency allowance graded according to the difficulty of the language and the standard of proficiency attained. Examinations are based on British Foreign Office standards, U. S. Foreign Service Institute standards or RAAF School of Language standards. Proficiency must be reestablished at regular intervals. The rate of allowance varies from \$A150 to \$A900 per annum dependent upon the proficiency and the language involved.

3. Flying Pay

Flying pay is generally paid continuously whether those in receipt of it are actually employed in a flying post or not. The flying pay scale rises in annual increments of \$A200 between ranks to a peak at the flight lieutenant (0-3)--squadron leader (0-4) level; and decreases above the rank of squadron leader at the rate of \$A300 between ranks. The broad rationale for this pattern appears to be the recognition of increasing skill and experience up to about the squadron leader level and the decreasing call to exercise that skill above that level.

The present rates are:

<u>Rank</u>	<u>Flying Pay</u>
<u>Officers</u>	<u>Australian Per Year (\$A)</u>
Trainee	450
Pilot Officer	900
Flying Officer	1,100
Flight Lieutenant O/P	1,300
Flight Lieutenant O/5	1,500
Squadron Leader	1,500
Wing Commander	1,200
Group Captain	900
<u>Other Ranks</u>	
Trainee	400
Navy Aircrewman	800

Flying pay is payable in the three services to aircrew officers who are medically fit and liable to be called upon to fill a flying post up to group captain (O-6) or equivalent level. In the Navy, it is also payable to some other ranks designated as air crew.

Service requirements appear to make it necessary that there should be a common rate for rank for officers irrespective of the type of aircraft being flown.

Considering the generally high salaries commanded by civilian pilots, and the special criteria involved in the selection of pilots generally, the factor of attraction and retention is seen as providing a reasonable justification for flying pay -- at least until the conclusion of the work value inquiry when the true value of the work involved should be clearly established. However, assuming appropriate salary levels following a proper evaluation of work, the Australians see no justification to extend this pay to other air crew categories such as navigators, air electronics officers and Navy observers and aircrewmen. If flying pay were to cease abruptly, serious management and morale problems could result. Therefore, those categories presently receiving flying pay will continue to receive it, at least until the conclusion of the work value inquiry.

4. Flight Pay.

Flight pay is a variant of flying pay and is paid only to other rank aircrew on a non-continuous basis; that is, it is paid only while they are posted to a job which entails flying duties. The rates of flight pay are as follows:

Flight Pay for Other Ranks

<u>Category</u>	<u>Australian \$ Per Year (\$ A)</u>
RAAF Flight Engineer	800
RAAF Loadmaster	600
RAAF Helicopter Crewman	600
Navy Winch Operator/Gunner	600

Flight Pay for Other Ranks (Contd.)

<u>Category</u>	<u>Australian \$ Per Year (\$A)</u>
Navy SAR Diver (paid for the totality of flying and diving duties)	600
Army Operator Signals	600
RAAF Assistant Crewman	300
Navy Winch Operator	300
Navy Assistant Crewman	300
RAAF Flight Steward	300
Orderly (Medevac Helicopter)	300
Trainee (all categories)	Fifty percent of Qualified Rate

The Australian government agreed with the recommendations of the Kerr-Woodward Committee of December 1972 that the work performed by the categories of personnel presently receiving flight pay be examined by the work value inquiry and that they be allocated to the appropriate pay level in accordance with the skills and responsibilities they are required to exercise. Until this is done, flight pay will be paid at existing rates and under existing conditions.

5. Command Money

Command money is paid in the Navy to officers up to the rank of commodore who are in command of sea-going vessels, group of vessels, harbor craft in certain conditions, vessels under tow, or certain vessels undergoing sea trials. It is also paid to masters of certain Army vessels. The present rates are:

Australian Per Year (\$A)

Commodore or captain in command for large ship or group of large ships	730
Captain posted as commander of a destroyer squadron	730
Other captain in command	511
Commander in command	365
Lieutenant commander and lieutenant in command	219
Sub-lieutenant in command	146

Command money is paid in recognition of the additional responsibility of a command at sea over and above that which is exercised by officers of equal rank in other jobs. The above rates have been in effect since 1950 and will continue until the situation is examined and resolved in the work value inquiry.

6. Sea-Going Allowance

Sea-going conditions in general constitute a unique set of circumstances which require special recognition. The sea-going allowance is paid in recognition of the particularly uncomfortable conditions encountered on commissioned naval vessels, the inability of sailors to use their leisure time effectively, the exceptionally long hours worked and the almost complete isolation from home contacts. These factors bear heavily and regularly in peacetime on sea-going servicemen only, and in the opinion of the Australians they require special recognition.

The sea-going allowance is payable to all ranks at the same rate of \$A548 per annum for single members and \$A675 per annum for married members. The higher rate for married men recognizes the separation factor. This allowance is taxable.

The sea-going allowance is paid for the duration of a member's posting to a sea-going ship. It is essentially an allowance for going to sea, payable at the same rate for all ships, excluding submarines (see submarine pay). In assessing the amount of the allowance, the present approximately 50:50 average ratio of time at-sea to time-on-shore was considered. Payment of the sea-going allowance ceases at the end of any sea assignment.

The sea-going allowance is also payable to Army sea-going personnel posted to the AV John Monash or the AV Balikpapan as the nature of service in these ships is very similar to that in naval surface vessels.

7. Submarine Allowance

Paid in lieu of sea-going allowance, the submarine allowance recognizes the more extreme and onerous conditions in a submarine. The special classification "Commander Submarines" was developed for an officer who does not spend long periods at sea. Such an officer receives submarine allowance at \$A730 per annum. All other members posted to the submarine service receive \$A1,223 per annum for married men and \$A1,095 per annum for single men. The allowance is taxable.

8. Parachutists' Pay

A fully taxable parachute allowance is paid as follows:

Members under training	\$A0.55 per day
Qualified parachutists, when required to use their skill	\$A0.83 per day
Instructors	\$A0.94 per day

9. Double Bottoms Pay

Exceptionally laborious work performed in confined, badly ventilated spaces by sailors is compensated by this allowance at \$A0.90 per day. Supervisors of such work are paid \$A0.40 per day. This payment is fully taxable.

10. Tropical Allowance

Payable for work in hot compartments on ships at \$A0.60 per day, particularly related to the tropics. It is fully taxable.

11. Technical Officers' Writer Allowance

This allowance is paid at the rate of \$A0.25 per day to sailors who carry out the duties of Technical Officer's writer. It is fully taxable.

12. Hard Lying Allowance

Hard lying money is payable to officers and other ranks, who are not entitled to the sea-going allowance, during service on a sea-going ship. The allowance is paid at \$A1.00 per day and is fully taxable.

13. Good Conduct Increments

The pay of a member of the rank of corporal or below is increased by a good conduct increment after the completion of five years' service, and

by a further good conduct increment after the completion of ten years' service. Good conduct increments amount to \$A52 a year and are fully taxable.

14. Diving Allowance

This allowance is of two types. One type is paid to Army and Air Force personnel as an incentive to qualify and maintain diving proficiency. Where a member is required to undertake diving duties and his normal salary is lower than that of a Navy clearance diver at the seaman level, Pay Level 5, he may be paid, on an "on-occurrence" daily basis, a diving allowance equal to the difference between his salary and that of the Navy diver.

In the Navy, a diving allowance is paid to qualified personnel carrying out ships' divers duties at the rate of \$A5.50 a day on an "on-occurrence" basis up to a maximum of four days a month. The allowance is paid on the basis of the need to attract and retain ships' divers. It is not payable to personnel employed as clearance divers. Both types of the diving allowance are fully taxable.

IV. Other Related Items

1. Certain Places Pay

There have been provisions, since at least the early 1900's, for payment of a district allowance to government employees at certain remote localities within Australia. Payment of the allowance to servicemen was discontinued during World War II, but it was reintroduced in 1948 on the recommendations of the Post-War Pay Code Committee.

Conditions for payment of the allowance to servicemen are similar to those for other government employees, as are the rates of the allowance, except that a separate, reduced rate is payable to servicemen housed and quartered at government expense in "living-in" situations.

Basically, the allowance is payable only at localities which are isolated from a major center of population, or where climatic conditions are extreme, or where the cost of living is exceptionally high. Localities are graded for this purpose by a formula which takes into account the relative severity of these three factors. Generally, the geographical areas of East, Southeast, Southern and Southwestern Australia are regarded as the norm and no allowance is payable within these regions.

The current daily rates of the allowance are:

<u>Locality Grade</u>	<u>Living-out Members</u>		<u>Living-in Members</u>
	<u>Married</u> \$A	<u>Single</u> \$A	\$A
1	0.58	0.30	0.21
2	1.04	0.53	0.37
3	1.67	0.90	0.63
4	2.33	1.34	0.94
5	3.04	1.78	1.25
6	3.81	2.33	1.63

The allowance is included in assessable income for taxation purposes.

2. Separation Allowance (Family)

This allowance is provided to compensate for the effects of separation of the married serviceman from his family due to the requirements of service. The amount paid is designed to compensate for both the intangible costs of separation and the additional practical expenses arising from the nature of separation. The only offsetting saving would be the cost of food normally eaten by the serviceman at home.

Payment of the separation allowance commences on and after the fifteenth day of continuous separation and ceases as soon as the member is able to rejoin the family for a period in excess of forty-eight hours. The Australians take the view that it is not until such a period of separation has elapsed that the major impact of that separation is felt. The separation allowance rate is \$A1.00 a day. It is authorized only

when separation results from service requirements, not when a member chooses to be unaccompanied during a posting. The separation allowance is non-taxable, since it is paid on occurrence.

The separation allowance is not applicable to naval married personnel when posted to ships, as they are entitled to the sea-going allowance.

3. Commissary and Exchange

There is no direct equivalent of such U. S. facilities in the Australian Defence Forces. The nearest approach is the Australian Services Canteens Organization (ASCO), which maintains wet and dry good facilities. It does not stock the range of goods of the commissaries and PX. ASCO is funded almost entirely by its own operations, with limited support from the government (some buildings are provided in accordance with the scales, the salaries of 10 service officers attached to ASCO, exemption from profits tax, but not payroll tax and registration of motor vehicles).

4. Burial Costs

Members who die while serving on active duty are given a burial with full costs at public expense. The entitlement to a military funeral, at public expense, for officers of two star rank and above continues after retirement. The graves of personnel who die on operational service are maintained in perpetuity at public expense.

When a member or his dependent dies while overseas, the excess costs of a local burial compared to costs in Australia are paid at public expense. The costs include funeral arrangements, coffin, cremation and other similar services. The Australian government is prepared to meet the cost of the return of the body to Australia, after which all costs are borne by the member's estate.

5. Disturbance Allowance (Dislocation Allowance)

The rationale behind the payment of disturbance allowance is that servicemen experience various incidental costs and accelerated depreciation of furniture and effects on each occasion at departmental change of station occurs. The allowance is paid at various flat rates based on the member's marital status, the furnished or unfurnished nature of his accommodation, and the frequency of changes of station arising from regular posting movements.

The current structure and rates of the allowance are:

a. <u>Married members</u>	<u>Rates</u> \$A
(1) Removal to unfurnished premises	
(a) first and second removal	150
(b) third and fourth removal	195
(c) fifth and subsequent removals	240
(2) Removal to or from furnished premises to another locality	75
(3) An amount of \$A20 is to be added in respect of each dependent child who is a full-time student and under the age of 21 years.	

b. <u>Unmarried Member</u>	<u>Rate</u>
	\$A
(1) Removal to unfurnished premises	65
(2) Removal to furnished premises	45

6. Overseas Station Allowance

The overseas allowances system attempts to maintain the member in the same financial position he would have occupied had he remained in Australia, by counteracting high costs or special costs associated with the posting. To cover these situation, a "difficult post allowance" is paid. It is taxable.

7. Clothing Allowance

With the exception of some categories of junior trainees, all servicemen receive an initial free issue of uniform on entry to the services, but thereafter the maintenance and replacement of uniform items is an expense to the member for which he receives a 'Uniform Maintenance Allowance'. Junior trainees are not paid an allowance, but have free replacement of uniform on a one-for-one basis. Protective clothing (e.g., flying clothing, protective coveralls, cooks clothing, etc.) is also provided on this basis and is not taken into account by the allowance.

Current rates of the allowance, which is not taxable, are:

	<u>\$A per annum</u>
Officers	210
Warrant officers and senior NCO's	155
Other ranks	130

Certain appointees overseas require a particular kind of uniform for their duty (e.g., Service Attaches). These uniforms are provided at government expense.

8. Education Allowance Within Australia

This allowance is designed to provide a subsidy towards the costs of education when a serviceman elects to leave a child in a particular locality to avoid interruption to the continuity of education brought about by posting movements. The allowance is paid only in relation to postings that occur in the last three or four years of secondary education, depending on the State education system where the child is attending school. The education allowance is tax free and provides assistance to service parents for expenses associated with tuition fees and boarding costs. Certain conditions have to be met before approval can be given to pay the allowance. They are:

- a. The child must be attending full-time secondary education at a recognized secondary school;
- b. The child must have been residing at home prior to the member's posting;

- c. A departmental removal must have taken place; and
- d. The member's wife must have accompanied him on posting.

Even though payment of the allowance is restricted to the last three or four years of secondary education, a special departmental committee may approve special cases outside these guidelines.

Current rates of the allowance are:

- a. Where a child boards at a recognized boarding school - up to a maximum of \$A1,900 per annum.
- b. Where a child boards at a place other than a school - up to \$A810 per annum.

Educational assistance for members posted overseas is divided into two types:

- a. Assistance at the overseas post where the child accompanies the the parents. In this case the parents are required to pay an assessed contribution towards the costs.
- b. Assistance given when the child remains at a school in Australia and attends either a boarding school or day school. In this case a special child allowance is paid and includes payment of tuition and boarding fees and other semi-academic costs less the estimated cost of maintaining a child in Australia.

Within the services there is a Vocational and Educational Training Scheme which provides financial assistance to members who wish to undertake studies of a vocational or educational nature, in their own time, to improve their qualifications and to prepare themselves for re-entry into civil life.

The courses covered within the scheme comprise:

- a. Any course, available from a University or any other public authority on a part time or correspondence basis; and
- b. Certain courses offered by approved private institutions.

Financial assistance is provided on the following basis:

- a. 100% refund of fees for a member with 15 years service, or more, or
- b. 75% refund of fees for a member with less than 15 years of service.

Text books and equipment are the responsibility of the individual member.

9. Furlough (Severance and Separation Pay)

Furlough entitlements are applicable to service members and Commonwealth employees. Effective January 1, 1973, the qualifying period for furlough was reduced from 15 to 10 years of effective service.

The accrual rate is 3 months for the first 10 years or 3/10 of a month for each year thereof, and 1/2 month for each year of effective service after the 10th year. Furlough pay is awarded on a one-time, lump-sum basis.

Entitlement to pay in lieu of furlough for effective service is:

a. After one year--where service has ceased due to death, invalidity, retrenchment, or mandatory retirement. Accrued at 3/10 of a month for each year.

b. After five years--irrespective of reason for cessation, accrued at 3/10 of a month for each year.

c. After ten years--irrespective of reason for cessations, accrued at 3 months plus 1/2 of a month for each year thereafter.

A member is not allowed to receive pay in lieu of furlough until termination of service.

Salary for furlough purposes is military salary (salary plus service allowance) for the member's rank, with certain exceptions for temporary ranks.

Some examples of furlough calculations are as follows:

a. Ten years or less effective service

One year = 3/10ths of a month

Five years = 1 1/2 months

b. Ten years or more effective service

Ten years = 3 months

Fifteen years = 5 1/2 months

Twenty years = 8 months

Pay in lieu of furlough is taxed on only 5% of the total sum received. For example, only \$A500 would be taxed on \$A10,000 of pay in lieu of furlough.

10. Yearly Leave Bonus

A yearly bonus of 17 1/2% of one month's salary is paid when one month's annual leave is taken. This is identical to leave bonus granted to the Australian Public Service employees. Its purpose is to encourage the use of leave.

11. Free Travel

Single military personnel are eligible for free travel once a year to their home town and return to their duty station.

TABS

A through A10	Salary Rates
B and B-2	Group Rent Scheme
C	Table of Percentage Entitlement for Retirement Pay
D	National Retirement Age for Rank
E	Commutation of Retired Pay - Expectation of Life Factor

SALARY RATES

\$A --Australian Dollars

SENIOR OFFICERS

<u>APPOINTMENT OR RANK</u>	<u>RATE PER ANNUM</u>
Chief of Defence Force Staff	\$32500 plus a tax free allowance of \$1750 (wef 1 Mar 75)
Chief of the General Staff	\$30000 plus a tax free allowance of \$1500 (wef 1 Mar 75)
Major-General	\$29310 (wef 20 Feb 76)
Brigadier	\$24906 (wef 20 Feb 76)

SENIOR MALE AND FEMALE MEDICAL
AND DENTAL OFFICERS

(wef 20 Feb 76)

Brigadier	\$27108
Colonel	\$24790
Lieutenant-Colonel	\$22509

Note: Rates of Pay above do not include a Uniform Maintenance Allowance of \$210 per annum for Maj Generals and below.

RATES OF PAY
MALE AND FEMALE GENERAL LIST OFFICERS

AND MALE NURSES

2LT TO COL

(wef 20 Feb 76)

\$A -- Australian Dollars

Rank and Length of Service in The Rank	<u>Male</u>			<u>Female/Male Nurses</u>		
	Daily \$ c	Fortnightly \$ c	Annual \$	Daily \$ c	Fortnightly \$ c	Annual \$
2 Lt	23.64	330.94	8628	18.91	264.73	6902
Lt O/P	24.99	349.88	9122	19.99	279.88	7297
O/1	26.34	368.76	9614	21.07	295.04	7692
O/2	27.69	387.67	10107	22.15	310.11	8085
O/3	29.04	406.58	10600	23.24	325.30	8481
Capt O/P	30.59	428.25	11165	24.47	342.60	8932
O/1	32.14	449.92	11730	25.71	359.90	9383
O/2	33.69	471.59	12295	26.95	377.27	9836
O/3	35.23	493.26	12860	28.19	394.61	10288
O/4	36.78	514.89	13424	29.42	414.91	10739
O/5	38.32	536.53	13988	30.66	429.24	11191
Maj O/P	40.23	563.18	14683	32.18	450.57	11747
O/1	42.13	589.84	15378	33.70	471.86	12302
O/2	44.04	616.50	16073	35.23	493.18	12858
O/3	45.94	643.16	16768	36.75	514.51	13414
Lt Col O/P	48.35	676.95	17649	38.63	541.55	14119
O/1	50.77	710.74	18530	40.61	568.59	14824
Col O/P	53.52	749.29	19535	42.82	599.43	15628
O/1	56.28	787.91	20542	45.02	630.31	16433

Note: Rates of pay above do not include:

a. Service Allowance \$950.00 per annum. (\$36.44 per F/N)

b. Uniform Maintenance Allowance \$210.00 per annum. (\$8.05 per F/N)

RATES OF PAYMALE AND FEMALE MEDICAL AND DENTAL OFFICERS

(wef 20 Feb 76)

\$A -- Australian Dollars

Rank and Length of Service In the Rank		Daily \$ c	Fortnightly \$ c	Annual \$
*Resident Medical Officer		30.59	428.25	11165
Capt	O/P	36.61	512.59	13364
	O/1	39.74	556.32	14504
	O/2	41.30	578.22	15075
	O/3	42.86	600.08	15645
	O/4	44.43	621.95	16215
	O/5	45.99	643.89	16787
Maj	O/P	49.41	691.72	18034
	O/1	51.12	715.65	18658
	O/2	52.83	739.58	19282
	O/3	54.55	763.63	19909

Note: Rates of pay for senior male and female medical and dental officers are on page B1.

*Resident Medical Officer is paid the rate applicable to male Capt O/P on General List.

Rates of Pay above do not include:

- a. Service Allowance \$950.00 per annum. (\$36.44 per F/N)
- b. Uniform Maintenance Allowance \$210.00 per annum. (\$8.05 per F/N)

RATES OF PAYOFFICERS COMMISSIONED FROM SGT OR HIGHER RANK

(wef 20 Feb 76)

\$A -- Australian Dollars

Rank and Length of Service In That Rank		Daily \$ c	Fortnightly \$ c	Annual \$
Lt	O/P	32.91	460.70	12011
	O/1	33.69	471.59	12295
	O/2	34.46	482.44	12578
	O/3	35.23	493.26	12860
Capt	O/P	36.01	504.12	13143
	O/1	36.78	514.89	13424
	O/3	37.56	525.79	13708
	O/5	38.32	536.53	13988

Note: Officers commissioned from the ranks Corporal and below, receive general list rates of salaries.

Rates of Pay above do not include:

- a. Service Allowance \$950.00 per annum. (\$36.44 per F/N)
- b. Uniform Maintenance Allowance \$210.00 per annum. (\$8.05 per F/N)

RATES OF PAYCHAPLAINS

(wef 20 Feb 76)

\$A -- Australian Dollars

Classification and Length of Service in the Classification		Daily \$ ¢	Fortnightly \$ ¢	Annual \$
Chap 4th Class (Capt)	O/P	30.59	428.25	11165
	O/1	32.14	449.92	11730
	O/2	33.69	471.59	12295
	O/3	35.23	493.26	12860
Chap 3rd Class (Maj)	O/P	36.78	514.89	13424
	O/2	38.32	536.53	13988
	O/4	39.71	555.90	14493
	O/6	41.09	575.23	14997
	O/8	42.47	594.56	15501
	O/10	43.85	613.93	16006
	O/12	45.24	633.30	16511
	O/14	46.62	652.63	17015
	O/16	48.00	672.00	17520
	O/18	49.38	691.33	18024
Chap Gen		50.77	710.74	18530

Note: Rates of Pay above do not include:

- a. Service Allowance \$950.00 per annum. (\$36.44 per F/N)
- b. Uniform Maintenance Allowance \$210.00 per annum. (\$8.05 per F/N)

RATES OF PAYMALE AND FEMALE OTHER RANKS

(wef 20 Feb 76)

\$A -- Australian Dollars

Rank and Length of Service in the Rank	<u>Male</u>			<u>Female</u>		
	Daily \$ c	Fortnightly \$ c	Annual \$	Daily \$ c	Fortnightly \$ c	Annual \$
Recruit	14.61	204.52	5332	14.61	204.52	5332
Pte Level 1	16.95	237.31	6187	16.95	237.31	6187
2	18.13	253.80	6617	18.13	253.80	6617
3	19.31	270.37	7049	19.31	270.37	7049
4	20.52	287.21	7488	20.52	287.21	7488
5	21.72	304.05	7927	21.72	304.05	7927
6	22.92	320.85	8365	22.92	320.85	8365
Lcpl Level 1	17.40	243.60	6351	17.31	242.33	6318
& 2	18.59	260.25	6785	18.50	258.98	6752
Pte(P) 3	19.77	276.74	7215	19.68	275.47	7182
4	20.97	293.62	7655	20.88	292.35	7622
5	22.17	310.38	8092	22.08	309.11	8059
6	23.38	327.25	8532	23.29	325.99	8499
Cpl Level 1	18.17	254.34	6631	17.92	250.89	6541
2	19.35	270.91	7063	19.11	267.53	6975
3	20.53	287.44	7494	20.29	284.03	7405
4	21.74	304.32	7934	21.50	300.94	7846
5	22.94	321.12	8372	22.69	317.67	8282
6	24.14	337.96	8811	23.90	334.54	8722
Sgt O/P From Pay Level 1	19.10	267.34	6970	18.67	261.36	6814
0/1 (O/P From Pay Level 2)	20.28	283.91	7402	19.85	277.93	7246
0/2 (O/P From Pay Level 3)	21.46	300.44	7833	21.03	294.46	7677
0/3 (O/P From Pay Level 4)	22.67	317.32	8273	22.24	311.30	8116
0/4 (O/P From Pay Level 5)	23.87	334.16	8712	23.44	328.14	8555
0/5 (O/P From Pay Level 6)	25.07	351.00	9151	24.64	344.98	8994
0/6	26.27	367.84	9590	25.84	361.74	9431
Ssgt O/P (From Sgt 0/5 & Below)	26.27	367.84	9590	25.84	361.74	9431
0/1 (O/P From Sgt 0/6)	27.49	384.90	10035	26.81	375.39	9787
0/2	28.71	401.93	10479	27.79	389.01	10142
WO2 O/P	29.93	419.04	10925	28.77	402.74	10500
0/1	31.15	436.15	11371	29.75	416.43	10857
WO1 O/P	32.47	454.52	11850	30.79	431.08	11239
0/1	33.78	472.85	12328	31.84	445.74	11621

Note: Rates of Pay above do not include:

a. Service Allowance \$950.00 per annum. (\$36.44 per F/N)

b. Uniform Maintenance Allowance

Sergeants - Warrant Officer Class 1 \$155.00 per annum. (\$5.95 per F/N)

Recruits - Corporals \$130.00 per annum. (\$4.99 per F/N)

RATES OF PAYCATEGORIES UNDER TRAINING

(wef 20 Feb 76)
\$A -- Australian Dollars

Category	Daily \$ c	Fortnightly \$ c	Annual \$
<u>Trainees</u>			
1st Year	15.39	215.41	5616
2nd Year and Subsequent	18.05	252.73	6589
<u>Apprentice Tradesman</u>			
1st Year	8.62	120.63	3145
2nd Year	11.28	157.95	4118
3rd Year	15.39	215.41	5616
4th Year	18.05	252.73	6589
<u>Apprentice Musicians</u>			
1st Year	8.62	120.63	3145
2nd Year	11.28	157.95	4118
<u>Staff Cadets</u>			
1st Year	12.36	173.06	4512
2nd Year	13.96	195.39	5094
3rd Year	15.55	217.71	5676
4th Year	17.14	239.96	6256
<u>Degree Undergraduates</u>			
3 years to Graduation	13.96	195.39	5094
2 years to Graduation	15.55	217.71	5676
Final Year	17.14	239.96	6256
<u>Male Officer Cadets</u>			
1st Year	15.55	217.71	5676
If Completed Degree Course	17.14	239.96	6256
<u>Female Officer Cadets</u>			
1st Year	12.44	174.18	4541
If Completed Degree Course	13.71	191.97	5005

Note: 1. The Rates of Pay above do not include Service Allowance \$950.00 per annum (\$36.44 F/N) Service Allowance is payable to:

a. Trainees.

b. Apprentices after leaving the training establishment.

2. The rates of Pay above do not include the Uniform Maintenance Allowance (\$4.99 F/N) \$130.00 per annum. The Uniform Maintenance Allowance is payable to all categories above except apprentices undergoing training at the Apprentices School.

ANNUAL CONSOLIDATED RATES OF PAY
SENIOR ARMY RESERVE OFFICERS AND CHAPLAINS

(wef 20 Feb 76)

\$A -- Australian Dollars

Appointment	Rank	\$ PA
Inspector General of the Army Reserve	Maj Gen	7328 *
Major General	Maj Gen	7328
Brigadier	Brig	6227
Consultant Colonel, 2 MD	Col	6198
Consultant Colonel, 3 MD	Col	6198
Colonel, Medical, 1 Div	Col	6198
Chaplain General, Anglican	Maj Gen	4633
Catholic	Maj Gen	4633
Presbyterian	Maj Gen	3706
Methodist	Maj Gen	3706
United Churches	Maj Gen	3706
Jewish	Col	2316

- * A salary differential of \$279 was included in the annual salary for the AAR Inspector General of Reserves and Member of the Military Board. This salary differential was withdrawn effective from 9 Feb 76 following abolition of the Military Board on that date.

DAILY RATES OF PAY
MALE AND FEMALE OFFICERS - COMMON SCALE
MALE AND FEMALE MEDICAL AND DENTAL OFFICERS, AND CHAPLAINS

(wef 20 Feb 76)

\$A -- Australian Dollars

Rank and Length of Service in the Rank	Male	Female incl male and female nursing officers	Male/Female Med and Den officers	Chaplains
	\$ pd	\$ pd	\$ pd	\$ pd
2 Lt	21.72	17.38	-	
Lt	23.53	18.82	-	
	25.16	20.13	-	
Capt	28.06	22.45	34.23	28.06 4th Cl
	30.36	24.29	37.27	30.36
	32.66	26.13	40.31	32.66 3rd Cl
Maj	34.97	27.98	43.35	34.97
	36.85	29.48	45.63	36.85
	38.74	30.99	47.92	39.07
Lt Col	40.63	32.50	54.77	41.29
	43.52	34.82	-	
Col	46.41	37.13	59.33	
	49.30	39.44	-	

DAILY RATES OF PAY
MALE AND FEMALE OTHER RANKS
OF THE A RES

(wef 20 Feb 76)

\$A -- Australian Dollars

Rank and Length of Service in the Rank		Male \$ pd	Female \$ pd	OCTU Trainees \$ pd
Recruit		13.69	13.69	
Pte	Level 1	14.83	14.83	<u>Male Officer Trainees</u>
	2	15.63	15.63	First year \$14.26
	3	16.43	16.43	With degree \$15.40
	4	17.23	17.23	
	5	18.02	18.02	<u>Female Officer Trainees</u>
	6	18.82	18.82	First year \$11.41
Lcpl	Level 1	15.23	15.15	With degree \$12.32
&	2	16.03	15.95	
Pte P	3	16.82	16.75	(Note 1 below)
	4	17.63	17.55	
	5	18.43	18.34	
	6	19.22	19.14	
Cpl	Level 1	15.98	15.74	
	2	16.77	16.54	
	3	17.57	17.34	
	4	18.37	18.14	
	5	19.17	18.93	
	6	19.96	19.73	
Sgt O/P (O/P from Levels 1 and 2)		17.11	16.81	
O/2 (O/P from Levels 3 and 4)		18.59	18.32	
O/4 (O/P from Level 5)		19.91	19.52	
O/6 (O/P from Level 6)		21.39	20.87	
SSgt	O/P	22.53	21.78	
	O/2	23.84	22.83	
WO2	O/P	25.15	23.88	
	O/2	26.47	24.94	
WO1	O/P	27.79	26.00	
	O/2	29.10	27.05	

Note: 1. A member holds his other rank rate of pay if greater than the OCTU rate.

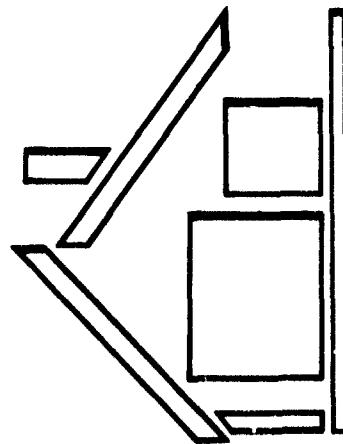
GRS RATES, GROUPS & ENTITLEMENTS

GRS Group	Composition	Rank Entitlement	GRS Rates (Fortnightly) Till April 1977
4	ASSS Gp 4	Capt (Navy) Col Gp Capt and above	\$ 61
3	ASSS Gp 3 & Sub-standard ASSS Gp 4	Cmdr-Lt Cdr Lt Col-Maj Wg Cdr- Sqn Ldr	\$ 55
2	ASSS Gp 2 & Sub-standard ASSS Gp 3	CPO WOH-Leut WOH-Capt WOH-Fit Lt	\$ 49
1	ASSS Gp 1 & Sub-standard Gp 2	AB-CPO Pre-SSgt AC-FSgt	\$ 43
1A	Sub-standard Gp 1 & Prefabs	AB-CPO Pre-SSgt AC-FSgt	\$ 37
1B	Temporary and Emergency	-	\$ 15

TAB B

APRIL 1977

Group Rent Scheme



FOR SUBRA CATERHOUSING

Issued for the information of members of the Navy, Army and Air Force and their dependants

.....

Questions of detail should be directed to the Housing or Administrative staff of your unit.

.....

This pamphlet outlines the main features of the Group Rent Scheme (GRS). Individual tenants of service dwellings have already been advised independently by letter how the GRS rates affect them personally.

AIMS

The aims of the GRS are:

- to relate rents to standards provided - not to salaries nor to costs of construction
- to charge rates which are distinctly advantageous when related to comparable market values
- to provide a scheme which is equitable, predictable, universal, easily understood and simply administered

HOW ARE RENTS DETERMINED

- All service dwellings are categorized into one of six housing groups according to the size of each dwelling and the standards provided therein.
- Average rents for each housing group are calculated. These are then graded so that the increase in rent from one group to another is reasonable having regard to the differences in sizes and standards between each group. In aggregate the GRS rates are equal to the total assessed economic rent.

- The GRS applies to all married accommodation throughout Australia, except for married quarters in Darwin.

- Members in receipt of Temporary Rental Allowance (TRA) will pay the same GRS rates.

Under the previous system, rents were related directly to Capital cost. Hence:

- Older dwellings attracted relatively low rents whilst dwellings recently erected attracted very high rents (approaching \$100.00 a week).

- Rising wages and the adverse effects of progressive taxation have eroded the benefits of the 15% of salary upper limit on rents, particularly in the ranks above sergeant/petty officer.

- Rents were not necessarily indicative of standards.

- Rents were unpredictable between postings.

GRS STANDARDS

- Where practicable, housing will be allotted strictly according to group-rank entitlement (based on worn rank).
- Housing for special appointments will be kept to a minimum.

- A Serviceman allotted a dwelling below his group-rank entitlement will pay only the group rent applicable to that dwelling. Conversely, if allotted a dwelling above his entitlement he will pay only the rent applicable to his group-rank entitlement.

- Provided that married quarters are not left empty, TRA will be used to ensure that, as far as possible, housing standards and rent payments match ASSS group-rank entitlements.

OTHER FEATURES

- GRS rates will be re-assessed once each year.

- TRA will, in future, be calculated using the serviceman's group rank entitlement rent as a basis for contribution in lieu of the APS rent norms which are directly related to salary.

- Normally, TRA accommodation selected by a serviceman will be regarded as matching his particular group-rank entitlement.

- All tenants of service married quarters will have access to an appeals organisation.

TABLE OF PERCENTAGE ENTITLEMENT FOR RETIREMENT PAY

YEARS OF EFFECTIVE SERVICE FOR RETIREMENT PAY		RETIRED PAY AS A PERCENTAGE OF FINAL PAY
Late entry	(15 . .	30.00
officers and	(16 . .	31.00
other ranks	(17 . .	32.00
only.	(18 . .	33.00
	(19 . .	34.00
	20 . .	35.00
	21 . .	36.50
	22 . .	38.00
	23 . .	39.50
	24 . .	41.00
	25 . .	42.50
	26 . .	44.00
	27 . .	45.75
	28 . .	47.50
	29 . .	49.25
	30 . .	51.25
	31 . .	53.25
	32 . .	55.50
	33 . .	57.75
	34 . .	60.25
	35 . .	62.75
	36 . .	65.25
	37 . .	67.75
	38 . .	70.50
	39 . .	73.50
	40 . .	76.50

NORMAL RETIRING AGE FOR RANK

RANK	AGE
All Ranks up to Major	42
Lieutenant Colonel	45
Colonel	50
Major General	52
Lieutenant General	55

Note: The ages are irrespective of Corps

COMMUTATION OF RETIREMENT PAY - EXPECTATION OF LIFE FACTOR

AGE (IN YEARS) ON DATE OF EFFECT OF ELECTION (I.E. AGE LAST BIRTHDAY)							FACTOR	
							MALE	FEMALE
30	..	..	..	..	..	..	41.12	46.49
31	..	..	..	..	..	..	40.18	45.53
32	..	..	..	..	..	..	39.25	44.57
33	..	..	..	..	..	..	38.31	43.61
34	..	..	..	..	..	..	37.38	42.65
35	..	..	..	..	..	..	36.45	41.70
36	..	..	..	..	..	..	35.51	40.75
37	..	..	..	..	..	..	34.59	39.81
38	..	..	..	..	..	..	33.67	38.86
39	..	..	..	..	..	..	32.75	37.92
40	..	..	..	..	..	..	31.84	36.99
41	..	..	..	..	..	..	30.93	36.06
42	..	..	..	..	..	..	30.03	35.13
43	..	..	..	..	..	..	29.14	34.21
44	..	..	..	..	..	..	28.25	33.29
45	..	..	..	..	..	..	27.38	32.38
46	..	..	..	..	..	..	26.51	31.48
47	..	..	..	..	..	..	25.65	30.58
48	..	..	..	..	..	..	24.80	29.69
49	..	..	..	..	..	..	23.96	28.80
50	..	..	..	..	..	..	23.13	27.92
51	..	..	..	..	..	..	22.31	27.05
52	..	..	..	..	..	..	21.51	26.18
53	..	..	..	..	..	..	20.72	25.32
54	..	..	..	..	..	..	19.94	24.47
55	..	..	..	..	..	..	19.18	23.63
56	..	..	..	..	..	..	18.43	22.79
57	..	..	..	..	..	..	17.70	21.96
58	..	..	..	..	..	..	16.99	21.13
59	..	..	..	..	..	..	16.29	20.32
60	..	..	..	..	..	..	15.60	19.51

TAB E

FEDERAL REPUBLIC OF GERMANY

MILITARY COMPENSATION SYSTEM
FEDERAL REPUBLIC OF GERMANY¹

The Germany military forces are a combination of career (long-term volunteer personnel), draftees, reserves, and civilian administrative employees of the armed forces. The foundation of their compensation is the same basic pay scale for career, long-term personnel (volunteers) and the Civil Service.

Career (long-term members) and Civil Service employees receive a basic pay, a duty station allowance, and a tax-free children's allowance. The combination of these three elements may be considered a "military equivalent salary," and is used as the base for computing retired pay. The children's allowance is paid to every German head of a household by the government, and thus is not a uniquely military or Civil Service pay item.

Draftees and reservists on active duty receive a lower draftee/ reserve pay at daily rates; rations and quarters are provided for them (furnished in kind), and a dependents' support allowance is paid.

Women in the military forces are assigned only as medical personnel.

¹ Source: Interviews with Military Attaches, Embassy of Federal Republic of Germany, Washington, D. C., and material provided by the Federal Republic of Germany.

I. Elements of the Basic Pay System

A. Military Basic Pay

Military basic pay by law is based on the same basic pay tables as government Civil Service employees.¹ Career (long-term volunteers), military personnel and Civil Service personnel also receive, in addition to their basic pay, a duty station allowance,² and a children's allowance. All of these elements except the children's allowance are taxable.

Annual adjustments are negotiated between representatives of the Public Service Union, the Ministry of Interior, and the Ministry of Finance. Such adjustments consider the state of the economy, the inflation rate, and other negotiated labor contracts. The net effect, as well as the intent, is to keep the public service pay scales comparable to those of the economy. These adjustments apply to all German government employees, including state, provincial and municipal employees. The last adjustment, effective February 1, 1976, was a 5% increase, or at least 85 DM monthly per employee.

B. Children's Allowance

Another element of military compensation, the children's allowance, is paid to every German head of a household. The

¹ See Tabs A and B for Salary Tables, effective February 1, 1976.

² See Tab C for Duty Station Allowance, effective February 1, 1976.

monthly amount paid is 50 DM for the first child, 70 DM for the second child, 120 DM for the third and each subsequent child.

C. Duty Station Allowance (Quarters and Subsistence Allowances)

The duty station allowance is an element of compensation that varies by pay class or pay group (grade) and marital status.¹ Its purpose is to provide the member with compensation for quarters and subsistence for himself and his dependents. There is no separate quarters allowance in the American sense. All military personnel up to the rank of captain (U.S. equivalent, O-3) and up to age 25 are obligated to live in barracks, if available. Those personnel who are assigned to live in barracks receive a lower rate of Duty Station Allowance, as follows:

<u>Pay Group</u> ²	<u>Monthly Rate</u>
A1 to A8	326 DM
A9 to A12	346 DM

Such personnel pay income tax on the value of the quarters provided. The amount of taxable income for this allowance is the regular rate of the Duty Station Allowance; i.e., A1 to A8, 418.37 DM/mo.; and A9 to A12, 444.14 DM/mo. for a single member with no dependents. There are no government married quarters.

¹ See Tab C for Duty Station Allowance, effective February 1, 1976.

² For a definition of pay groups, see Tab A.

Government subsidies are provided to private developers to build rental units for government personnel at fixed and reduced rental costs for periods of 20 years. Military retirees and civilian retirees may retain these units upon retirement. Regular single members are assigned quarters at their bases. Members are not charged for quarters occupied in the field or aboard ship; however, quarters' charges continue for the assigned quarters at their bases.

Draftees and Reservists do not receive the Duty Station Allowance, and are not charged for their (barracks style) quarters.

Career personnel, both officers and men, pay for all meals (4.00 DM daily) taken at government messes, either ashore or aboard ship. Draftees and Reservists are furnished meals at no cost to the member. When draftees and Reservists miss meals over weekends while on liberty or in a leave status, they are reimbursed at the rate of 4.00 DM daily.

D. Extra Performance Allowances

Extra Performance Allowances, analogous to U.S. forces special and incentive pays, are paid to all military personnel when assigned to such duties; e.g., to flight duty, parachute duty, ship-board crewmember duty, frogman (mine diver) duty, and submarine duty. The purpose of such payments is to recognize the arduous duty involved. These allowances are tax exempt. Those military personnel assigned as language specialists (except English or

French linguists), flight controllers, radar reporting and radar controllers, final flight approach controllers, divers, high pressure chamber duty personnel, career medical officers, and hand-to-hand combat instructors also qualify for arduous duty pays; however, these extra performance allowances are taxable.¹

E. Annual Leave

Entitlement to annual leave varies with rank and age, from a minimum of 21 days to a maximum of 36 days annually. Members are encouraged to use their annual leave in a maximum of two increments; i.e., 20 and 16 days. Saturdays, Sundays and holidays are not counted as leave days. In addition, two 5-day extra compensation leaves are granted for combat units over holiday periods (winter and spring), and these extra days may be taken in conjunction with an annual leave period.

F. Holidays

Members are eligible for an average of twelve holidays during the calendar year in addition to normal annual leave and weekends. Holidays vary from one state to another, and the member's duty location determines which holidays he receives.

G. Overtime Pay

All military personnel who are required to work in excess of

¹ See Tab D for arduous duty pays and rates.

60 hours per week, or who are required to work on Sundays, legal holidays and Saturdays after 1300, and between 2000 and 0600 on other days, are paid overtime pay at a flat rate of 0.75 DM/hour. Up to 24,000 DM/year in premium pay for overtime is tax exempt.

H. Draftee and Reservist Compensation Elements

Draftees¹ on active duty receive draftee pay. This pay is about 1/4 to 1/2 of the regular forces basic pay. The basic draftee pay is adjusted as necessary from time to time. There were no adjustments from 1957 to 1971. However, the next adjustment was made in 1974. Draftees and Reservists on active duty receive rations, quarters, service clothing, laundry service, and personal equipment in kind. In addition, draftees, as well as regulars, receive an annual Christmas bonus while on active duty. Draftees receive a mustering-out allowance at the time of discharge (e.g., for 15 months' service, a single draftee receives 900 DM and a married draftee, 1,000 DM).

A "dependents support allowance" is paid to Draftees and Reservists on active duty. It is a percentage of the draftee's average net civilian pay for the last 12 months before being called to active duty, and that amount is adjusted based on the number of dependents.²

¹ German draftees are conscripted for 15 months' service, and have a Reserve obligation to age 28. See Tab D for Draftee Pay (daily rates).

² See Tab F for Table of Dependents' Support Allowances (Draftees).

The daily Reserve pay awarded is the minimum pay for the various grades. Reservists, as mentioned, receive the dependents' support allowance. The maximum amount of this allowance is 70% of net earnings as a civilian for a single member and 90% for a married member. Reservists are paid only during periods when ordered to active duty. When on such duty, they receive daily pay for 8 hours duty.¹ The maximum pay for each grade is based on rationale similar to the dependents' support allowance for draftees; that is, the purpose is to alleviate the loss of income due to military service. Training exercises and other drills on inactive duty are held informally and no pay is authorized for these.

II. Supplemental Benefits

A. Medical and Dental Care

Full medical and dental care without charge is provided to active duty servicemembers only. Draftees and Reservists on active duty are therefore eligible for full medical and dental care. All active duty members are granted medical absence as necessary by their commanders after appropriate medical consultations.

Military dependents and retired personnel are entitled to medical and dental care from private practitioners, but not at military facilities. There is a charge for dependents' medical care

¹ See Tab G for Reserve daily pay scale which varies by rank, and number of dependent

which must be paid by the respective service member. A service member is reimbursed by the government for between 55% and 75% of dependent medical costs (depending on marital status and number of children). An additional 15% of the costs may be reimbursed when inpatient treatment at hospitals is necessary. The established maximum reimbursements for dependent dental care costs are considered by the German government to be sufficient to cover most dental care. The serviceman or retiree may provide additional coverage for medical costs by carrying supplemental health insurance costing approximately 150 DM/month to cover the balance of medical and dental costs. The cost is based on the age of the member at the time he subscribes to the plan.

B. Life Insurance

Military and civilian government employees, including retirees, are eligible for a private life insurance plan at group rates. The member pays the full cost; e.g., a coverage of 10,000 DM costs approximately 50 DM per month, but varies with the age of the member at the time he applies for insurance.

C. Social Security

All German civilian workers and most of the federal Civil Service employees are protected by social security, retirement and disability coverages. Social security is not applicable to active duty military personnel; however, all personnel released from

military service receive social security credit for their military service. The government pays for this coverage for the member. Active duty military members are protected by survivor benefits, retirement, and disability programs.

D. Transition Pay

Transition pay is a form of severance pay. It allows a separated service member to retrain as necessary for a position in the civilian work force. Transition pay is paid to both officers and men and varies with age, length of service and grade. It consists of a lump-sum payment, a percentage of his last month's active duty pay for a period of time, and educational entitlements. For example, a master sergeant with 12-15 years of service receives a lump-sum payment of 14 times his last month's active duty basic pay. If he enrolls in a full-time educational program, his tuition, books and various fees are paid, and in addition, he receives 75% of his last month's active duty pay for a period of 3 years.

E. Unemployment Compensation

Former military and federal employees are eligible for unemployment compensation from National Welfare Funds. Draftees specifically are assured their former job upon termination of service, unless the company has ceased to exist, in which case, the draftee would be eligible for unemployment compensation.

F. Retirement

Career personnel entitlement to retirement pay is based on length of service, age and grade. The retirement system is non-contributory.

Officers and enlisted personnel are selected for career status between 2 and 15 years' service. Once career status is granted, the member has a lifetime contract which includes full pension eligibility. No voluntary retirement is permitted; a member must serve to the mandatory retirement age for the grade attained.

Examples of mandatory age-grade retirement ceilings are: all enlisted members, age 52; officers; captain, age 52; major, age 54; lieutenant colonel, age 56; colonel, age 58; and general, age 60.¹

The earliest retirement possible is after completion of 10 years of service. Retired pay is computed as a percentage of final basic pay, duty station allowance, and allowance for children. The retirement multiplier after 10 years of service is 35%, increasing by 2% through the 25th year of service and by 1% for each year thereafter, up to a maximum of 75% of the retirement base. Retired pay is further increased by specific percentages for those regular members who must retire due to reaching the established age limitations for their grade. For example, a major must retire

¹ A temporary 1-year extension has been added to the above mandatory age-grade retirement ceilings (1976).

at age 54; thus, instead of the regular 65% multiplier for 25 years' service, he would receive the increased multiplier of 69%.

Example: Retirement % Multiplier

Number of Completed YOS/ %	Years of Age (Increased Multiplier)					
	52	53	54	55	56	57
10/35	41	40	39	38	37	36
15/45	51	50	49	48	47	46
20/55	61	60	59	58	57	56
25/65	71	70	69	68	67	66
30/70		75	74	73	72	71
33/73					75	74
35/75						

When active duty basic pay, duty station and children's allowances are adjusted annually, the pension base computed from the active duty scales is adjusted by the same percentage. If a member is disabled, his disability retired pay is a straight 75% of basic pay of the last grade held, at the highest longevity step, duty station allowances, and children's allowance in effect at retirement. Disability retired pay is fully taxable, in contrast to American practice.

There are no restrictions on post-retirement employment. However, when employed in the German public service or in the public service of an intra-state or cosmopolitical institution, the retired pay is reduced after passing certain income limits.

G. Survivor Benefits

Survivors of both active and retired military personnel receive a pension that varies with his length of service, grade and number of minor children. The widow receives a pension equal to 60% of her husband's retired pay, with an additional 12% for each minor child.

H. Burial Costs

A widow of a service member who dies on active duty is reimbursed up to a maximum of 1,000 DM for funeral expenses and burial costs.

I. Educational Assistance

Career officers and enlisted men are eligible for additional vocational education to increase their skills for defense missions. The government pays for tuition, books, and various fees; but the course must be taken during off-duty hours. Defense-related university training is also available under this program. Draftees and Reservists are not eligible for this educational assistance.

III. Special and Premium Pays

A. Bonuses

Enlistment and reenlistment bonuses are authorized for long-term enlisted personnel and vary with length of service and length of enlistment -- e.g., from a minimum of 1,000 DM for a 21-month enlistment to a maximum of 9,000 DM for a 12-year enlistment.

Presently, none of these bonuses are paid, although they are authorized as incentive payments and can be used when and if needed. These bonuses are taxable when paid.

A special Christmas bonus is paid to all personnel, and this equates to a 13th (full) month's pay; i. e. , basic salary, duty station allowance and the childrens' allowance. This bonus is taxable.

Service "anniversary bonuses" are paid for 25, 40 and 50 years' service at the rates of 200 DM, 350 DM and 500 DM respectively. Such bonuses are paid to career officers, enlisted men, and Civil Service personnel, and are not taxable.

B. Arduous Duty Pays

Arduous Duty (extra performance) Pay is paid for flying, ship board duty, submarine duty, parachute duty, hospital work, prison work, mountain guide duty, engine-room duty, frogman duty, and other miscellaneous duties. Some of the more prominent such pays are:

1. Flight Pay (Bundeswehr personnel on flying status)

Flight pay (flieger zulage) is awarded to compensate for the special physical and psychological stress connected with official flight duty on the one hand, and for the purpose of preserving flying skill and performance on the other. A jet pilot receives the maximum tax-free flight pay supplement of 300 DM per month. An additional flight pay supplement

(stellen zulage) of 250 DM per month¹ is also paid, but this amount is taxable. These payments begin as soon as a newly-trained pilot is assigned to a tactical unit. If the officer flies for 5 years or more, this flight pay supplement continues to be paid for five additional years at the full rate after the pilot stops flying and loses his flight pay (flieger zulage). After five non-flying years, the flight pay supplement drops by one-half to 125 DM monthly. It then remains at that rate for the remainder of the officer's military career and is also included in the pension base for the calculation of retired pay.

2. Parachute Pay (Bundeswehr paratrooper personnel)

Parachute Pay constitutes compensation for special efforts which arise from maintaining proficiency and effectiveness for parachute duty; specifically, the physical and psychological stresses connected with such efforts. The pay is tax exempt.

3. Shipboard Allowance

The shipboard allowance is paid to all shipboard personnel except submarine personnel. It is intended to compensate for the discomfort and required extra exertion of such personnel caused by the unfavorable living conditions on Bundeswehr vessels which impede the preservation of action readiness. The pay is tax exempt.

4. Submarine Pay

The allowance is paid to all personnel assigned to submarine

¹ Current rate in 1976

duty. It is intended to compensate for the special extra exertions arising from the need to maintain the efficiency of the submarine, particularly for those exertions caused by the more difficult living conditions on a submarine (such as atmospheric overpressure or underpressure, oxygen-poor and waste - gas - rich air, cramped quarters, etc.). Recipients of submarine pay are not entitled to the shipboard allowance. This pay is tax exempt.

5. Engine-Room Allowance

The engine-room allowance is paid in addition to the shipboard or submarine allowance. The allowance is intended to compensate engine-room personnel for the discomfort arising from the difficult working conditions experienced in engine-rooms, such as excess heat, waste - gas - rich air, cramped quarters, etc. This pay is tax exempt.

C. Headquarters Allowance

A special allowance is paid to authorized officer and enlisted personnel assigned to duty at Defense Headquarters. Its purpose is to compensate for the extra stresses and responsibilities arising from duty at Defense Headquarters. The allowance varies with grade, from 141.76 DM per month to 829.09 per month.¹ Authorized

¹ See Tab H for Rates by Pay Group (Rank).

Civil Service personnel are also eligible for this allowance.

D. Health Professionals Special Pay and Constructive Credit

All medical officers enter duty status at the rank of captain (O-3), and receive the pay of the next higher grade until they attain the rank of colonel. Doctors are presently drafted for a period of 12 months. The doctor draft is necessary in order to provide sufficient medical officers for the military services, since the supply of career doctors is inadequate to meet the needs of the armed forces. Civilian doctors are also used on a contract basis to supplement the supply of regular and drafted doctors. Career medical officers receive a taxable allowance of 350 DM/monthly in addition to their higher pay per grade.¹ Drafted doctors do not receive any extra pays, although they do receive the advanced grade pay at advanced draftee pay rates. Drafted medical officers receive a special severance pay on completion of their active service.

IV. Other Related Items: Compensation and Reimbursements

A. Family Separation Pay

Married service members are eligible for family separation pay when on field duty, shipboard duty, or on temporary duty.

When government quarters and messes are available, the rate of family separation pay is 6.24 DM/daily. A per diem is paid when

¹ See TAB D-11b (7), Miscellaneous Compensation.

government quarters and messes are unavailable. The per diem varies with grade and length of period¹ of separation, and is divided into two components: for the day and overnight.

B. Dislocation Allowance

The dislocation allowance is intended to reimburse a portion of the member's moving expenses not otherwise reimbursed. A member is entitled to dislocation allowances for himself, his wife, and his children. The rate depends on grade and family size.² Should he have a required second move within a 5-year period, an extra 40% of the dislocation allowance otherwise entitled is added to the above rates. If the new duty station is in a foreign country, the member is entitled to a special dislocation allowance to cover costs of additional furniture, appliances, etc.

C. Foreign Country Station Allowance

1. Cost of Living Differential

Foreign country cost of living differential pay is paid to maintain a member's Federal Republic of Germany standard

¹ Per Diem rates for pay grade and separation time are:

A1 to A10 - 1 day, 20 DM; more than 1 day, 23 DM; overnight, 23 DM
 A11 to A15 - 1 day, 25 DM; more than 1 day, 28 DM; overnight, 28 DM
 A10 to B11 - 1 day, 30 DM; more than 1 day, 34 DM; overnight, 34 DM

² Dislocation allowance rates by pay grade are:

A1 to A8 - 550 DM, wife 450 DM, each child 200 DM
 A9 to A10 - 700 DM, wife 500 DM, each child 200 DM
 A11 to A14 - 900 DM, wife 600 DM, each child 200 DM
 A15 to A16 - 1000 DM, wife 700 DM, each child 200 DM

of living, as well as recompensing for the hardships incurred in such assignments. The current cost of living allowance for German servicemen stationed in the United States varies by location.¹ For example, a lieutenant colonel stationed in Washington, D. C., would receive 208 DM monthly, but if he were assigned to New York City, he would receive 416 DM monthly, while if he were stationed in El Paso, Texas, he would receive nothing. A service member is entitled to have two private vehicles shipped to his overseas station and returned. In addition, household effects within prescribed weight allowances by grade are authorized to be shipped to the overseas station and back to Germany. A foreign country housing allowance may also be paid.

2. Foreign Country Housing Allowance

The government will subsidize the member by paying a portion of his rental cost. Eighteen percent of "military equivalent salary" is considered to be the minimum rent that the member should pay. The government will pay the difference between the member's 18% of "military equivalent salary" and 90% of the actual rental cost. However, if the landlord pays

¹ The formula is based on 60% of total "military equivalent salary" times the index for the particular location: e.g., Washington, D.C., 5%; New York, 10%; El Paso, none.

the utility costs, the government will reduce the allowance so calculated by 15%.

D. Clothing Allowance

Enlisted career members and all draftees receive a free issue of uniforms and subsequent uniform replacements. Officers receive a one-time payment for original uniforms and a uniform allowance of 30 DM monthly. New and replacement uniform items are ordered and paid for from the official supplier. The 30 DM/month allowance is credited to the member's uniform account with the supply company.

E. Other Allowances

1. All working Germans may participate in a government-sponsored savings plan. If a member allots 39 DM/month to the savings plan, the government adds a maximum of 13 DM/month to this allotment.
2. Draftees are eligible to receive a 50% discount on railroad fares.
3. An experimental exchange (canteen) is being tested to determine what type of merchandise to handle. The government is providing rent-free space and utilities to subsidize the exchange.
4. No commissary stores similar to those of the United States armed forces exist in the Federal Republic of Germany.

V. Associations-Unions

Military personnel are free to join associations or unions. The

Public Service Employee Transport and Traffic Union has a military section with about 2,000 members (0.5% of the armed force). Union membership dues cost one percent of basic pay per month. Approximately 50% of the force, however, have joined armed services associations such as the Bundeswehr Welfare Association, Military Relief Association or Federal Association for the Welfare of Military Personnel. Association dues are minimal -- e.g., a lieutenant colonel is assessed 4 DM/month. The purpose of associations is to enhance the welfare and benefits of servicemen. Unlike unions, they do not participate and bargain in the pay adjustment process.

TABS

- A. Basic Pay Rates, Pay Schedule A for Career Military Personnel on Active Duty, Effective 1 February 1976
- B. Basic Pay Rates, Pay Schedule B for Career Military Personnel on Active Duty, Effective 1 February 1976
- C. Duty Station Allowance, Effective 1 February 1976
- D. Special Pays and Rates (for arduous duty), Effective 1 April 1974
- E. Daily Rates of Draftees, Effective 2 September 1974
- F. Draftee, Dependents' Support Allowances, Effective 1976
- G. Reserve Forces Pay, Effective 1976
- H. Monthly Allowance for Authorized Officer and Enlisted Personnel on Duty in Defense Headquarters, Effective 1 June 1975

Basic Pay Rates for Career Military Personnel on Active Duty
and Military Personnel Serving on Term
Enlistments

Monthly Amount in DM
Age/Longevity

Pay Schedule A

Effective 1 February 1976

	21/	23/	25/	27/	29/	31/	33/	35/	37/	39/	41/	43/	45/	47/	49/
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A1	730.82	755.06	779.32	803.54	827.78	852.02	876.26	900.50	924.74						
A2	774.10	798.34	822.58	846.82	871.06	895.30	919.54	943.78	968.02	992.26					
A3	829.37	854.97	880.57	906.17	931.77	957.37	982.97	1008.57	1034.17	1059.77					
A4	880.00	905.41	930.82	956.23	981.64	1007.05	1032.46	1057.87	1083.28	1108.69	1134.10	1159.51	1184.92	1210.33	1235.74
A5	931.05	956.46	981.87	1007.28	1032.69	1058.10	1083.51	1108.92	1134.33	1159.74	1185.15	1210.56	1235.97	1261.38	1286.79
A6	982.10	1007.51	1032.92	1058.33	1083.74	1109.15	1134.56	1159.97	1185.38	1210.79	1236.20	1261.61	1287.02	1312.43	1337.84
A7	1033.15	1058.56	1083.97	1109.38	1134.79	1160.20	1185.61	1211.02	1236.43	1261.84	1287.25	1312.66	1338.07	1363.48	1388.89
A8	1084.20	1109.61	1135.02	1160.43	1185.84	1211.25	1236.66	1262.07	1287.48	1312.89	1338.30	1363.71	1389.12	1414.53	1439.94
A9	1135.25	1160.66	1186.07	1211.48	1236.89	1262.30	1287.71	1313.12	1338.53	1363.94	1389.35	1414.76	1440.17	1465.58	1490.99
A10	1186.30	1211.71	1237.12	1262.53	1287.94	1313.35	1338.76	1364.17	1389.58	1414.99	1440.40	1465.81	1491.22	1516.63	1542.04
A11	1237.35	1262.76	1288.17	1313.58	1338.99	1364.40	1389.81	1415.22	1440.63	1466.04	1491.45	1516.86	1542.27	1567.68	1593.09
A12	1288.40	1313.81	1339.22	1364.63	1390.04	1415.45	1440.86	1466.27	1491.68	1517.09	1542.50	1567.91	1593.32	1618.73	1644.14
A13	1339.45	1364.86	1390.27	1415.68	1441.09	1466.50	1491.91	1517.32	1542.73	1568.14	1593.55	1618.96	1644.37	1669.78	1695.19
A14	1390.50	1415.91	1441.32	1466.73	1492.14	1517.55	1542.96	1568.37	1593.78	1619.19	1644.60	1670.01	1695.42	1720.83	1746.24
A15	1441.55	1466.96	1492.37	1517.78	1543.19	1568.60	1594.01	1619.42	1644.83	1670.24	1695.65	1721.06	1746.47	1771.88	1797.29
A16	1492.60	1518.01	1543.42	1568.83	1594.24	1619.65	1645.06	1670.47	1695.88	1721.29	1746.70	1772.11	1797.52	1822.93	1848.34
A17	1543.65	1569.06	1594.47	1619.88	1645.29	1670.70	1696.11	1721.52	1746.93	1772.34	1797.75	1823.16	1848.57	1873.98	1899.39
A18	1594.70	1620.11	1645.52	1670.93	1696.34	1721.75	1747.16	1772.57	1797.98	1823.39	1848.80	1874.21	1899.62	1925.03	1950.44
A19	1645.75	1671.16	1696.57	1721.98	1747.39	1772.80	1798.21	1823.62	1849.03	1874.44	1899.85	1925.26	1950.67	1976.08	2001.49
A20	1696.80	1722.21	1747.62	1773.03	1798.44	1823.85	1849.26	1874.67	1899.08	1924.49	1949.90	1975.31	2000.72	2026.13	2051.54
A21	1747.85	1773.26	1798.67	1824.08	1849.49	1874.90	1899.31	1924.72	1949.13	1974.54	1998.95	2023.36	2047.77	2072.18	2096.59
A22	1798.90	1824.31	1849.72	1875.13	1899.54	1924.95	1949.36	1974.77	1999.18	2023.59	2047.99	2072.40	2096.81	2121.22	2145.63
A23	1849.95	1875.36	1899.77	1924.18	1948.59	1973.00	1997.41	2021.82	2046.23	2070.64	2095.05	2119.46	2143.87	2168.28	2192.69
A24	1900.00	1925.41	1949.82	1974.23	1998.64	2023.05	2047.46	2071.87	2096.28	2120.69	2145.10	2169.51	2193.92	2218.33	2242.74
A25	1951.05	1976.46	1999.87	2024.28	2048.69	2073.10	2097.51	2121.92	2146.33	2170.74	2195.15	2219.56	2243.97	2268.38	2292.79
A26	2002.10	2027.51	2051.92	2076.33	2100.74	2125.15	2149.56	2173.97	2198.38	2222.79	2247.20	2271.61	2296.02	2320.43	2344.84
A27	2053.15	2078.56	2102.97	2127.38	2151.79	2176.20	2200.61	2225.02	2249.43	2273.84	2298.25	2322.66	2347.07	2371.48	2395.89
A28	2104.20	2129.61	2154.02	2178.43	2202.84	2227.25	2251.66	2276.07	2300.48	2324.89	2349.30	2373.71	2398.12	2422.53	2446.94
A29	2155.25	2180.66	2205.07	2229.48	2253.89	2278.30	2302.71	2327.12	2351.53	2375.94	2400.35	2424.76	2449.17	2473.58	2497.99
A30	2206.30	2231.71	2256.12	2280.53	2304.94	2329.35	2353.76	2378.17	2402.58	2426.99	2451.40	2475.81	2499.22	2523.63	2548.04

see Each Step Corresponds to 2 years Age Increment Commencing at Age 21

Explanation of pay groups A-1 - A-16 in the above table:

- Pay group A1 (9 longevity steps): Private E-1. Basic Airman and Seaman Apprentice
- Pay group A2 (10 longevity steps): Private E-2, Airman and Seaman
- Pay group A3 (10 longevity steps): PFC, Airman First Class and Seaman
- Pay group A4 (10 longevity steps): Corporal, Sergeant and Petty Officer Third Class
- Pay group A5 (10 longevity steps): Sergeant (Army), Staff Sergeant (Air Force) and Petty Officer Second Class (Navy) and Sea Cadets (Officer Candidates)
- Pay group A6 (11 longevity steps): Sergeant (Army), Staff Sergeant (AF) and PO 2C (Navy)
- Pay group A7 (13 longevity steps): Staff Sergeant (Army), Technical Sergeant (AF) Petty Officer First Class (Navy), Midshipmen (Officer Candidates, generally eligible for promotion to this rank after a minimum of 22 months service), Sergeant First Class (Army) Master Sergeant (AF), and Chief Petty Officer (Navy).

Note: Staff Sergeant, Technical Sergeant and PO 1C; see position supplement.

Sergeant First Class, Master Sergeant and CPO; see grade supplement and position supplement.

- Pay group A8 (13 longevity steps): Master Sergeant (Army), Senior Master Sergeant (AF), Senior Chief Petty Officer (Navy), Upper Class Officer Candidate, and Upper Class Midshipmen (Officer Candidate).

Note: Master Sergeant, Senior Master Sergeant and Senior Chief Petty Officer; see pay group A9, grade supplement, and position supplement.

Upper Class Officer Candidate and Upper Class Midshipmen; see grade supplement.

Pay group A9 (13 longevity steps): MSgt (Army), SMSgt (AF), Senior CPO (Navy) (reference pay group 8), Sergeant Major (Army) Chief Master Sergeant (AF), Master Chief Petty Officer (Navy), 2nd Lt (Army & AF), and Ensign (Navy)

Pay group A10 (13 longevity steps): Sgt Major (Army), CMSgt (AF), Master CPO (Navy) 1st Lt (Army & AF), and Lt Jg (Navy)

Pay group A11 (14 longevity steps): Captains (Army & AF) and Lieutenants (Navy) not included in pay group A12

Pay group A12 (14 longevity steps): Captains (Army & AF) and Lieutenants (Navy) not included in pay group A11

Pay group A13 (14 longevity steps): Majors (Army & AF), Lieutenant Commander (Navy) Staff Doctor, Staff Pharmacist, Staff Veterinarian, Military Chaplain (those not included in pay group A14), and Staff Engineer

Note: For grade purposes, the Staff Doctor, Staff Pharmacist, Military Chaplain etc are generally equal to Captain

Pay group A14 (14 longevity steps): Military Chaplain (those not included in pay group A13), Lt Colonel (Army & AF)/ Commander (Navy) (those not included in pay group A15), Senior Staff Pharmacist, Senior Staff Doctor, and Senior Staff Veterinarian

Note: Senior Staff Pharmacist, Senior Staff Doctor, and Senior Staff Veterinarian are generally equal to Major for grade purposes

Pay group A15 (15 longevity steps): Military Deans (those not included pay group A16), Lt Colonel (Army & AF)/ Commander (Navy) (those not included in pay group A14), Chief Pharmacist, Flotilla Pharmacist, Chief Doctor, Flotilla Doctor and Chief Veterinarian

Note: Chief Pharmacist, Chief Doctor and Chief Veterinarian are generally equal to Lt Colonel for grade purposes. Flotilla Pharmacist and Flotilla Doctor are generally equal to Commander for grade purposes.

Pay group A16 (15 longevity steps): Military Deans (those not included in pay group A15), Colonel (Army & AF)/ Captain (Navy) Colonel (Doctor)/Colonel Pharmacist)/Flotilla Pharmacist/Fleet Doctor/Colonel (Veterinarian) (those not included in pay group B3)

**Basic Pay Rates for Career Military Personnel on Active Duty and
Military Personnel Serving on Term Enlistments**

Pay Schedule B*

Effective 1 February 1976

<u>Pay Group</u>	<u>Pay Class</u>	<u>Monthly Amount in DM</u>
2	1b	4595.69***
3	1a	4808.15
4	1a	5127.74***
6	1a	5840.61
7	1a	6177.40
9	1a	6964.34
10	1a	3317.86
11	1a	12,213.25***

* Fixed pay schedule without longevity steps

** Pay class for receipt of duty station allowance differential

*** Applicable to federal civilian employees only

Explanation of pay groups B3 - B10 in the above table

Pay Group B3: Colonel (Army and AF)/Captain (Navy)/Colonel (Pharmacist)/Fleet Pharmacist/Colonel (Doctor)/Fleet Doctor/Colonel (Veterinarian) (those not included in pay group A16)

Pay Group B6: Brigadier General, Rear Admiral (Flotilla Admiral), General (Doctor), General (Pharmacist), and Admiral (Doctor)

Pay Group B7: Major General, Rear Admiral (Upper Half), General (Staff Doctor), and Admiral (Staff Doctor)

Pay Group B9: Lieutenant General, Vice Admiral, General (Senior Staff Doctor), and Admiral (Senior Staff Doctor)

Pay Group B10: General/Admiral (See grade supplements for the Inspector General of the Armed Forces)

Duty Station Allowance for the Following Pay Classes and Pay Groups Stationed
In The Federal Republic of Germany

Effective 1 February 1976

Monthly Amount in DM

Pay Class	Pay Group	Step 1*	Step 2**	Step 3***	Step 4	Step 5	Step 6	Step 7	Step 8†
1a	B3-B11	592.40	686.90	767.75	845.02	880.87	948.82	1016.77	1101.40
1b	B1-B2 A13-A16	499.74	594.24	675.09	752.36	788.21	856.16	924.11	1008.74
1c	A9-A12	444.14	538.64	619.49	696.76	732.61	800.56	868.51	953.14
11-	A1-A8	418.37	508.37	589.22	666.49	702.34	770.29	838.24	922.87

*Single Personnel

**Married Personnel

***Widowed or divorced personnel as well as personnel whose marriage has been annulled or declared void

**Single personnel who have reached their 40th birthday

**Other single personnel who provide support and quarters in their place of residence to another person on permanent basis because they are legally or morally obligated to do so or because professional aid or health require it

***Step 3 is for married personnel with one child, etc.

- 1 Increase for each additional child (84.63 DM monthly)
- 2 Personnel required to live in barracks receive a reduced Duty Station Allowance
 - Pay Class 1C - 346 DM/month
 - Pay Class II - 326 DM/month

**WEST GERMAN "ARDUOUS DUTY" PAYS AND
RATES (ALLOWANCES = DM/Month)**

<u>PAY</u>	<u>DM/MO.</u> (Effective 1 Apr 74)
1. Prison Workers	
a. Social Service Personnel	50
b. Guards	50
c. Workmen (Intermediate Level and Higher)	50
2. Hospital Workers	
a. Medium-level Officials	45 (Psych.), 25 (TB)
b. Nurses	45 (Psych.), 25 (TB)
3. Firemen	33 (or less)
4. Flight Pay *	
a. Assigned to Flying Units.	
(1) Jet Pilot w/Instrument Card	300
(2) Other Pilot w/Instrument Card	240
(3) Jet Pilot w/o Instrument Card	240
(4) Other Pilot w/o Instrument Card	195
b. Not Assigned to Flying Units	
(1) Jet Pilot w/ Instrument Card	210 ¹
(2) Other Pilot w/ Instrument Card	150
(3) Jet Pilot w/o Instrument Card	120
(4) Other Pilot w/o Instrument Card	90
c. Air Crew (Nav., Engr., Radio, Rescue, Obs, etc) Assigned to Flying Units	
(1) Jet Aircraft	210
(2) Other	150
d. Personnel in Flight Training	120
e. Other (Proficiency, Surgeons, Non-Crew, Obs.)	45
f. High Altitude Chamber Personnel	
(1) Flight-Physiology Training	150
(2) Flight Test (Oxygen Reserve)	45
5. Jump Pay (Parachute) *	
In Parachute Job	150

¹ Flight pay b. also represents a flight pay supplement (stellen zulage) which is paid in addition to flight pay a.(flieger zulage) as soon as a newly trained pilot is assigned to a tactical unit.

TAB D

Army Mountain Guides *	
a. In Mountain Guide Job	75
b. Not in Mountain Guide Job but Qualified	30
7. Shipboard Crew Member Allowance (except Submarine) *	105
8. Engine Room Allowance *	30
9. Submarine Duty Pay *	270
10. Frogman (Mine-Diver) Allowance * <u>1/</u>	
a. In Job Assignment	240
b. Not in Job but Authorized Proficiency	60
11. Miscellaneous Compensation	
a. NATO HQ Duty Pay (by Grade) *	100 - 40
b. Arduous Duty Pays	
(1) Language Allowance	160 - 30
(2) Service During Unfavorable Hours * <u>2/</u>	.65/Hr.
(3) Flight Controller, Radar Reporting and Radar Control <u>3/</u>	80
(4) Final Flight Approach Controller <u>3/</u>	120
(5) Diver's Allowance (by Depth)	28 - 9.5, plus 4 DM/Hr for each 5M over 30 M.
(6) High Pressure Chamber Duty	1/3 Diver's Allowance
(7) Career Medical Officers	350
(8) Hand-to-Hand Combat Instructors	120

* Tax Exempt

1/ Not paid in addition to flight pay, submarine pay or diver's allowance; but if the frogman is a paratrooper and required to jump he receives an extra 50 DM/Mo.

2/ Tax-exempt through 24,000 DM/year.

3/ Final Flight Approach Pay is not authorized to recipients of Flight Controller, Radar Reporting and Radar Control Pay, and vice versa.

DRAFTEE PAY

<u>Draftee Pay Group</u>	<u>Service Grade*</u>	<u>Daily Amount</u> (Effective 2 Sep 74)
1	Private E-1	5.50 DM
2	Private E-2	7.00
3	PFC	7.50
4	Corporal	8.50
5	Sergeant, Sea Cadet	10.00
6	Staff Sergeant, Sergeant First Class, Master Sergeant, Midshipmen, and Upper Class Officer Candidates	11.00
7	Sergeant Major, 2d Lieutenant	12.00
8	Sergeant Major, 1st Lieutenant	13.00
9	Captain	14.00
10	Major, Staff Doctor	15.00
11	Lt. Colonel, Senior Staff Doctor, and Chief Doctor	16.00
12	Colonel, Colonel (Doctor)	17.00
13	Generals	19.00

*Or equivalent grades in the other services

The rates of Draftee Pay were originally set 1 April 1957,
however, the Federal Ministry of Defense has taken action to increase the
amount for each draftee pay group by 1 DM daily as of 1 January 1974,
and by 1 DM daily as of 2 Sept. 1974.

TAB E

Draftees and reservists on active duty receive rations, quarters, service clothing laundry service, personal equipment, and medical care at no expense to the individual. In addition, draftees receive the yearly Christmas bonus while on active duty and the mustering out allowance at the time of discharge.

DRAFTEE

DEPENDENTS SUPPORT ALLOWANCE

MONTHLY RATES IN DM (1976)

Average Net Civilian Pay
for 12 months prior to
military service

Number of Dependents

	I	II	III	IV
to 500	360	410	435	450
500 to 520	367	418	444	459
520 to 540	376	435	461	477
540 to 560	390	451	479	495
560 to 580	405	467	496	513
580 to 600	419	484	513	531
600 to 620	427	500	531	549
620 to 640	435	517	548	567
640 to 660	442	533	566	585
660 to 680	449	549	583	603
680 to 700	455	566	600	621
700 to 750	471	595	631	653
750 to 800	496	636	675	698
800 to 850	520	677	718	743
850 to 900	543	718	761	788
900 to 950	564	759	805	833
950 to 1000	585	800	848	878
1000 to 1050	605	830	892	923
1050 to 1100	624	860	935	968
1100 to 1150	641	889	979	1013
1150 to 1200	658	917	1011	1058
1200 to 1250	674	943	1041	1103
1250 to 1300	701	969	1071	1135
1300 to 1350	729	994	1100	1166
1350 to 1400	756	1018	1128	1196
1400 to 1450	777	1040	1154	1226
1450 to 1500	804	1062	1180	1254
1500 to 1550	831	1083	1205	1281
1550 to 1600	858	1103	1229	1307
1600 to 1650	878	1121	1251	1333
1650 to 1700	905	1139	1273	1357
1700 to 1750	932	1156	1294	1380
1750 to 1800	959	1172	1314	1402
1800 to 1850	976	1186	1332	1424
1850 to 1900	1003	1200	1350	1444
1900 to 1950	1030	1213	1367	1463
1950 to 2000	1057	1225	1383	1481
2,000	1060	1240	1400	1500

RESERVE FORCES PAY¹
MINIMUM MONTHLY RATES/DM (1976)

RANKS U.S. equivalent	Single	Married	1 child	2 children	3 children
E-1, E-2	255 (8, 50)*	405 (13, 50)	495 (16, 50)	555 (18, 50)	600 (20)
E-3	285 (9, 50)	420 (14)	510 (17)	570 (19)	615 (20, 50)
E-4	300 (10)	450 (15)	525 (17, 50)	600 (20)	645 (21, 50)
E-5	315 (10, 50)	465 (15, 50)	540 (18)	615 (20, 50)	660 (22)
E-6	345 (11, 50)	480 (16)	570 (19)	630 (21)	690 (23)
E-7	420 (14)	570 (19)	660 (22)	720 (24)	780 (26)
E-8, O-1	480 (16)	630 (21)	720 (24)	780 (26)	840 (28)
E-9, O-2	510 (17)	660 (22)	750 (25)	810 (27)	870 (29)
O-3	600 (20)	750 (25)	840 (28)	900 (30)	960 (32)
O-4	750 (25)	930 (31)	1020 (34)	1080 (36)	1140 (38)
O-5	870 (29)	1080 (36)	1170 (39)	1230 (41)	1290 (43)
O-6[†]	1230 (41)	1530 (51)	1620 (54)	1680 (56)	1770 (59)
General, Admiral	2040 (68)	2580 (86)	2670 (89)	2730 (91)	2820 (94)

* Minimum duty pay/DM

[†] Plus Reserves receive 70% of net civilian pay for single personnel and 90% of net civilian pay for married personnel. (Dependents Support Allowance).

TAB G

Monthly Allowance for Authorized Officer and
Enlisted Personnel on Duty in Defense Headquarters

<u>Pay Group</u>	<u>DM/MO</u> (Effective 1 Jun 75)
A1 - A5	141.76
A6 - A9	213.43
A10 - A13	355.06
A14 - A15, B1	401.30
B6 - B7	695.32
B9 - B10	829.09